CITY OF CEDAR HILL, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2025

CEDAR HILL
THE NATURAL HEART OF THE METROPLEX

City of Cedar Hill, Texas
Annual Comprehensive Financial Report

Year Ended September 30, 2025

Prepared by the

City of Cedar Hill

Finance Department

Chuck Fox, Finance Director
Grace Du, Assistant Finance Director-Accounting
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City Council

Stephen Mason, Mayor

Gregory Glover, Mayor Pro Tem
Daniel C. Haydin, Jr., Council Member
Alan E. Sims, Council Member
Gerald Malone, Council Member
Chad A. McCurdy, Council Member
Maranda K. Auzenne, Council Member

City Manager

Melissa Valadez-Cummings

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September 30, 2025

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Introductory Section

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March 10, 2026

To the Honorable Mayor and City Council,
and Citizens of the City of Cedar Hill:

The Finance Department and City Manager's Office are pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the City of Cedar Hill (the "City") for the fiscal year ended September 30, 2025. State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report fulfills that requirement.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects. The data is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. To enable the reader to gain an understanding of the City's financial activities, all necessary disclosures have been included.

The ACFR is prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America established by the Government Accounting Standards Board (GASB). The ACFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the City's organizational chart, a list of principal officials and the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the City's 2024 report. The financial section includes the management's discussion and analysis (MD&A), the government-wide and fund financial statements, notes to basic financial statements, required supplemental information, other supplemental information, as well as the independent auditors' report on the basic financial statements. The statistical section includes selected financial and demographic information which is presented on a multi-year basis. The MD&A complements this letter of transmittal and should be read in conjunction with it.

City Profile

Centrally located in the heart of the Dallas/Fort Worth Metroplex in southwest Dallas County and northwest Ellis County, Cedar Hill (the "City") is a thriving suburb known for its tree-lined rolling hills, abundant green spaces, big city amenities, and small-town charm. The City is bordered on the north by the cities of Dallas and Duncanville, on the west by the City of Grand Prairie and Joe Pool Lake, on the south by City of Midlothian, and on the east by the City of DeSoto. The City was incorporated in 1938 under the general laws of the State of Texas and is one of the oldest organized cities in Dallas County. Cedar Hill became a home-rule city in 1975 and encompasses 35.5 square miles with approximately 55% being developed. The City has an estimated population of 49,455 residents.

The City's abundant green spaces and natural beauty are part of Cedar Hill's distinctive character. The inclusion of neighborhood parks, hike and bike trails, and the preservation of green space for

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future generations remain a priority of the community and City Council. Some of the most beautiful and popular parks and open space areas in the State of Texas are in the City including Cedar Hill State Park and the Dogwood Canyon Audubon Center. A wide selection of charter and private schools in addition to Cedar Hill Independent School District (CHISD) add to the expansive set of educational choices available in Cedar Hill.

Government Structure. The City operates under a council-manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of a Mayor and six council members. The City Council appoints committees, boards, and hires the City Manager, City Attorney, and City Judge. The City Manager is responsible for carrying out the policies and implementing the ordinances of the City Council, oversees the day-to-day operations of the government, appoints the directors of the various departments, and prepares an annual budget.

Services Provided. The City provides a full range of municipal services authorized by statute or charter. These services include police protection, fire suppression, emergency medical services, water distribution, wastewater collection, building inspection, municipal court, street maintenance and repair, code enforcement, park maintenance, full-service recreation services and programming, swimming pool operations, library services, planning and economic development, and general administrative services. The City maintains contracts for its water supply, wastewater treatment services, and solid waste services.

Reporting Entity. This accompanying ACFR includes all funds of the City including its component units and internal service funds. The City's component units are legally separate entities for which the City is financially accountable.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues recognized when measurable and available, and expenditures recorded when the liability is incurred. Proprietary operations are maintained on a full accrual basis.

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. Management must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The annual budget serves as the foundation for the City's financial planning and control. Budget objectives, priorities, and goals are reviewed by City Council each year. The City Manager's proposed budget is submitted to City Council in July with opportunities for public input throughout

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the budget process. Prior to final adoption, public hearings are conducted on the budget. The City prepares a multi-year capital budget and updates are done annually with City Council review.

Budgetary control has been established at the individual fund level. Financial reports are produced electronically showing budget and actual for expenditures and revenues are reviewed by Departmental Managers and Directors on a routine basis. All Departments have access to the City's core financial system for budget management.

Factors Affecting Financial Condition

Local Economy. The City has experienced several consecutive years of tax base growth. Taxable value, excluding new construction, increased by 8.18 percent from 2025 to 2026. New construction added $150,402,995 in value for 2026, representing a 46.1 percent decrease from the prior year but remaining a solid level of growth.

Business development in light manufacturing, commercial, and light industrial continues to grow. The Cedar Hill Economic Development Corporation (CHEDC) promotes economic development opportunities to regional, national, and international audiences. Over the past few years, significant progress has been made on several catalytic projects.

More than 4 million square feet of commercial, industrial and retail development has been constructed or is in development since 2020 including major commercial and industrial projects by Hillwood Development, KBC Industrial, Stream Realty Industrial, Stanley Restoration, and Highlands Retail Center. The Hillwood development of the High Point 67 Logistics Center serves as a cornerstone to the future Loop-9 corridor and is expected to generate more than $75 million in capital investments, $100 million in new taxable value, and support the creation of hundreds of jobs in Cedar Hill. Thus far, 2.6 million square feet of spec industrial space has been built with plans to build an additional 400,000 square feet within the next few years. Pratt Industries, Inc., the world's largest privately held producer of 100% recycled containerboard, has located a regional manufacturing & innovation center and now serves as the anchor tenant on the High Point 67 campus. This 1 million square-foot development includes an investment of more than $200 million in infrastructure, added over 150 full-time green-dollar jobs, positioning High Point 67 to be the second largest taxpayer and Pratt Industries to be the City's third largest employer in the City in its third year of operations.

New commercial developments recently completed are Delta Steel, Stream Realty Industrial II, GoldenHome national headquarters, and multiple retail offerings such as JCPenney Distribution. Cedar Hill's premier location provides strong highway and rail connectivity for national and regional distribution. Residential developments continue to offer a diverse array of housing in our community to meet the needs of the market. Residential developments under construction or nearing completion include Bear Creek, Stone Hill, and Addison Hills neighborhoods. The City is nearing the construction phase of a master-planned community, Balcones Ranch, which will offer more than 850 new homes on 300 acres with a wide variety of amenities. Town Companies will soon begin

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construction on 300 luxury multi-family units at Hillside Village Shopping Center as it transitions to a mixed-use center.

Cedar Hill remains a popular Texas tourist destination that showcases the area's attractions and natural beauty. The Dogwood Canyon Audubon Center opened 250-acres of national preserve with an interpretive center in 2011 which draws visitors to the City. This Center, in conjunction with Cedar Hill State Park, Cedar Mountain Preserve, and the City's numerous parks, extensive trail system, and open spaces continue to bring tourism to the City. The Balcones Trail connects these natural assets along a three-mile hike and bike lane that highlights the natural features of the Balcones Escarpment and the City's vast open space.

Economic Future. As Cedar Hill continues to grow, City officials are committed to balancing expanding economic development opportunities that will foster development with preserving the topography and scenic views for which the City is known. Cedar Hill's culture of planning and commitment to vision have fostered the success and resilience of our commercial and residential sectors bringing expanded employment centers, new connections, and significant infrastructure upgrades.

Significant transportation infrastructure initiatives currently underway or anticipated in the near term include the Highway 67/Lake Ridge Parkway interchange and the final alignment and initial program funding for Loop 9. Both projects are administered and funded by TxDOT and are expected to serve as major catalysts for continued development in the City over the next decade and beyond.

The residential market continues to grow to meet the needs of the market offering a diverse array of housing in our community. More than 500 single family dwellings are under construction, and more than 1,000 dwelling units are anticipated to be developed and constructed within the next five years.

Financial Planning and Fiscal Policies. The City has a long tradition of disciplined and prudent fiscal management. For three years, City staff engaged the community through various events and platforms to gather broad input and feedback to develop the comprehensive plan – Cedar Hill Next. The comprehensive plan was adopted by the City Council in March 2022 and received the Environmental Planning Gold Award from the Texas Chapter of the American Planning Association.

Formal financial policies and prudent operating practices have enabled the City to maintain core services. Formal policies exist in areas such as balanced budgets, revenue diversification, operating expenditures, reserves, investments, and debt. The City manages the issuance of new debt and proactively communicates with its financial advisors to ensure that debt is issued prudently and affordably.

The City's budget reflects the community's priorities, and the strategic goals set by the City Council to further the vision of Cedar Hill as a premier city. Additionally, it reflects the City's mission to deliver the highest quality municipal services to its citizens and customers, consistent with its community values. The City Council holds an annual strategic planning retreat to review its strategic

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plans and priorities. The City uses its master plans to guide its long-term growth and financial planning. Utilizing these plans, the City annually updates a five-year capital improvement plan for streets, utilities, and facilities, including the timing and amounts of debt to be issued to fund the plan.

The City completes a benchmarking survey of budgets, staffing, and selected activity measurements of eleven similar cities as part of the annual budget process. The City's financial history is driven by relatively balanced operations and maintaining strong budgetary performance, meaning that the budget is monitored routinely with ending favorable balances.

The City's fiscal management policies require minimum fund balance goals for its core operating funds. The General Fund of the City calls for an available fund balance of 25% of operational expenditures and the City has historically adhered to this policy. Each of the funds with minimum fund balance requirements meet or exceed these requirements. There were no significant impacts on the current year's operations as a result of the fiscal management policies.

Major Initiatives. Continuing the momentum from the 2017 bond program, the City is poised to embark on a new chapter of strategic planning and catalytic projects to maintain its appeal as a premier destination for residents, businesses, and visitors. These projects reflect the City's commitment to its premier statements aiming to enhance quality of life for residents and maintain its status as a premier city.

- Legacy Dog Park: As part of the City's continued investment in quality-of-life amenities, Cedar Hill is advancing the Legacy Dog Park initiative currently in design to expand recreational opportunities for residents and their pets. The project reflects the community's commitment to inclusive, multi-generational public spaces that promote health, wellness, and social connection. Designed to complement the City's broader parks system, the Legacy Dog Park supports responsible pet ownership while enhancing neighborhood livability and reinforcing Cedar Hill's reputation as a premier destination for residents, families, and visitors.

- Senior Center at the Alan E. Sims Recreation Center: The City of Cedar Hill is currently in the design phase of a Senior Center addition at the Alan E. Sims Recreation Center to better serve the needs of the community's growing senior population. This expansion is intended to enhance the City's ability to provide dedicated space for senior programming, wellness activities, and social engagement while strengthening the Recreation Center's role as a multi-generational community hub. Looking ahead, the Senior Center addition is expected to support expanded services, improve accessibility, and promote active, healthy aging, reinforcing the City's long-term commitment to inclusive amenities that enhance quality of life for residents at every stage of life.

- Tax Increment Financing (TIF) #1: The City of Cedar Hill is pursuing revisions to its agreement with Dallas County to identify a catalyst project for County participation in TIF #1. Revising the identified catalyst project through an updated agreement supports the

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City's long-term redevelopment and reinvestment objectives by accelerating the coordinated use of tax increment revenues to finance public improvements and infrastructure within designated areas. Looking ahead, the TIF agreement is expected to provide a structured and sustainable funding mechanism to support planned development, enhance the tax base, and advance the City's strategic growth goals while maintaining fiscal responsibility in a shared partnership with Dallas County.

- Historic Downtown: Revitalization of Cedar Hill's historic downtown remains a top priority of the City. In January 2023, the City celebrated the completion of Phase 1 of the Downtown Complete Streets project, which included relocating overhead infrastructure underground, enhancing streetscape beautification, and upgrading lighting, landscaping, and seating. Future downtown improvements will be guided by a Downtown Master Plan, currently underway, which will provide a long-term framework for public investments, mobility enhancements, and placemaking efforts within the historic core. The revitalization of historic downtown also includes engagement with new and existing downtown businesses, programmed community events in Pioneer Park at the heart of downtown Cedar Hill, and the continued expansion of the downtown mural program.

- Strategic Planning: The City of Cedar Hill has a strong culture of planning. The City Council recently approved the Economic Development Strategy, West Midtown Plan, Downtown Complete Streets, Joint Public Safety Strategic Plan, Tourism Strategic Plan, Information Technology Master Plan, Parks, Recreation, Trails & Open Space Master Plan, Impact Fee Study (Roadway, Water and Sewer), and Water & Sewer Master Plan. The Downtown Master Plan is currently in process.

Other Information

Independent Audit: The City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City. The City Charter specifies that such audit be conducted by independent auditors selected by the City Council. Forvis Mazars was selected by the City Council to conduct this year's audit. The independent auditors' report on the basic financial statements is included in the financial section of this report.

Certificate of Achievement: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Hill for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2024. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such ACFR must satisfy both GAAP and applicable legal requirements.

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A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting the 2025 ACFR to the GFOA.

Acknowledgements: The preparation of this report could not be accomplished without the efficient and dedicated services of the Finance Department staff. Special thanks are extended to the members of the Finance and Audit Committee for their leadership and support of sound fiscal management and to all members of the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Melissa Valadez-Cummings, City Manager

Chuck Fox, Finance Director

Grace Du, Assistant Finance Director

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Cedar Hill
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

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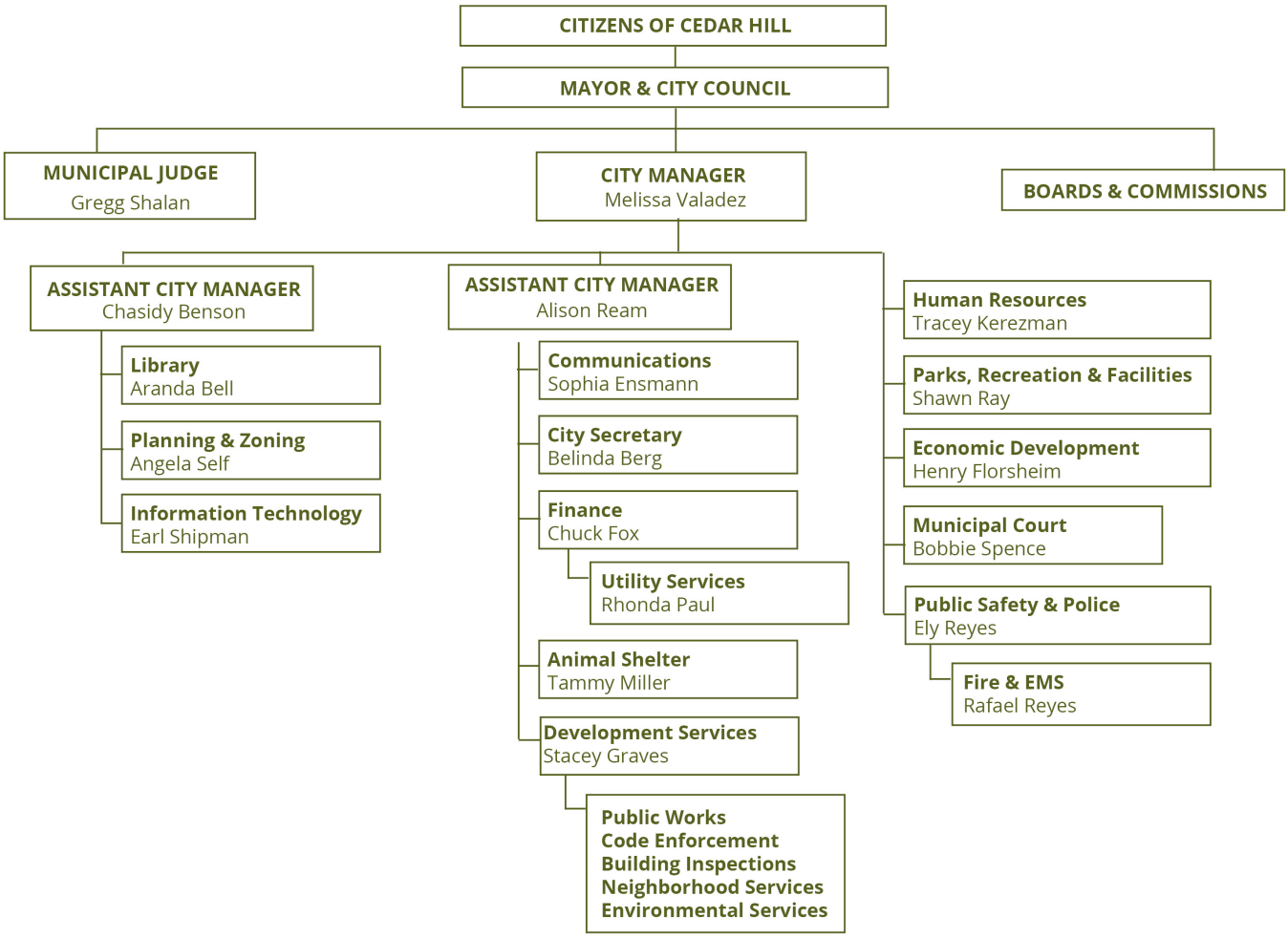
ORGANIZATIONAL CHART



CEDAR HILL

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City of Cedar Hill, Texas
List of Principal Officials
September 30, 2025

Elected Officials

Title	Name
Mayor	Stephen Mason
Mayor Pro Tem	Gregory Glover
Councilmember	Gerald L. Malone
Councilmember	Daniel C. Haydin, Jr.
Councilmember	Chad A. McCurdy
Councilmember	Alan E. Sims
Councilmember	Maranda K. Auzenne

Appointed Officials

City Manager	Melissa Valadez-Cummings
Assistant City Manager	Alison Ream
Assistant City Manager	Chasidy Benson
Finance Director	Chuck Fox
City Secretary	Belinda Berg
Director of Public Safety & Police Chief	Ely Reyes
Fire Chief	Rafael Reyes
Economic Development Director	Henry Florsheim
Development Services & Public Works Director	Stacey Graves
Parks & Recreation Director	Shawn Ray
Planning Director	Angela Self
Information Technology Director	Earl Shipman
Tri-City Animal Shelter Manager	Tammy Miller
Library Director	Aranda Bell
Municipal Court Administrator	Bobbie Spence
Utilities Manager	Rhonda Paul
Director of Human Resources	Tracey Kerezman

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Financial Section

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Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Cedar Hill, Texas
Cedar Hill, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Hill, Texas (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a

material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and

schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Dallas, Texas
March 10, 2026

CEDAR HILL

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The City of Cedar Hill offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with our letter of transmittal in the introductory section and the financial reports that follow in this section.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of September 30, 2025 by $292,051,433 (total net position). Of this amount, $180,268,368 (62%) is net investment in capital assets and $40,569,711 (14%) is restricted for specific purposes. Other restricted assets are related to Joe Pool Lake (JPL) assets and total $21,937,356 (8%) and are allocated by City policy into $6,937,356 expendable and $15,000,000 nonexpendable assets. The remaining $49,275,998 is unrestricted and may be used to meet the City's ongoing obligations to citizens in accordance with the City's fund designation and fiscal policies.
- The City's total net position has increased by $22,234,082 over 2024. Net position for governmental activities increased by $17,322,521 or 9% and business-type net position increased by $4,911,561 or 7%. The increase in governmental activities is primarily due to an increase in property, other tax revenues, permitting/development revenues, and investment income. The increase in business-type activities is primarily due to an increase in capital grants and contributions and miscellaneous revenues.
- At September 30, 2025, the City's governmental funds reported combined ending fund balances of $118,054,674, an increase of $16,930,096 when compared to prior year. With revenues exceeding expenditures by $1,976,014 as well as $12,785,000 in net bond issuance proceeds. Within total fund balance, $58,688,195 (50%) is restricted by specific legal requirements, $16,231,715 (14%) is non-spendable as it relates to prepaids, inventories and the JPL Permanent Fund; and further, $677,599 (1%) is assigned to specific types of expenditures, and $24,348,307 (21%) is committed by policy of the governing board for specific community projects and the JPL nature corridor. The remainder of the fund balance, $18,108,858 (15%), is unassigned in the general and nonmajor governmental funds. The $18,179,511 unassigned fund balance in the general fund is approximately 37% of total general fund expenditures.
- The City's non-current liabilities decreased by $1,189,075 or 1% which is attributed to scheduled debt service payments and decrease in the Net Pension Liability, offset by the issuance of certificates of obligations.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Cedar Hill's basic financial statements. The City of Cedar Hill's basic financial statements are comprised of three components:

(1) Government-wide financial statements
(2) Fund financial statements
(3) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements - the government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private-sector business with a goal of ascertaining whether the City is in a better financial position at the end of the fiscal year compared to the previous year. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, including capital assets and long-term liabilities, and deferred inflows of resources. The differences between these items are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration such as the change in the City's property tax base and condition of the City's infrastructure (i.e. roads, drainage systems, water and sewer lines, facilities, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. It focuses on both the gross and net costs of the City's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and Statement of Activities divide the City's activities into two types:

Governmental Activities - Most of the City's basic services are reported here, including general government, public safety, community services, public works, etc. Property taxes, sales taxes and franchise fees provide the majority of financing for these activities.

Business-Type Activities - Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include its water and wastewater systems.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from the functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include most of the City's basic services such as police, fire, code compliance, parks and recreation, community services, library, and public works. The business-type activities of the City include water and sewer.

The government-wide financial statements include not only the City (primary government) but also the discretely presented component units: Community Development Corporation (CDC) and the Economic Development Corporation (EDC). These component units are legal, separate entities for which the City is financially accountable.

Fund Financial Statements - a fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be classified into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. By comparing information presented for governmental funds with the governmental activities in the government-wide statements, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds' balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balances provide a reconciliation to facilitate the comparison between the governmental funds and the governmental activities.

The City reports twenty-six individual governmental funds. Information is presented separately in the governmental fund's Balance Sheet and in the governmental fund's Statement of Revenues, Expenditures and Changes in Fund Balances for the City's five major funds (General Fund, Debt Service Fund, Joe Pool Lake Fund, Capital Projects Fund, and Grant Funds). Financial data for other nonmajor governmental funds are combined into a single, aggregated presentation (Nonmajor Governmental Funds). Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds - The City of Cedar Hill maintains two types of proprietary funds. The enterprise fund is used to report the same functions presented as business-type activities in the government- wide statements. The City uses an enterprise fund to account for its water and sewer activities. The internal service funds are utilized to accumulate and allocate costs among the City's various functions and activities. The City uses its internal service funds to account for its self-funded health program and capital replacement program. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds statements provide the same type of information found in the business-type activities in the government-wide financial statements, only in more detail.

Fiduciary Funds - The City has one fiduciary fund, pension trust fund. This fund is used to account for police reserve pension benefits.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information of the City's budget to actual variance and schedules of funding progress for retirement plans.

The combining statements referred to earlier in connection with non-major governmental funds and budget to actual variance schedules for non-major governmental funds and the component unit fund financial statements are presented following the required supplemental information.

Government-Wide Financial Analysis

Total assets of the City at September 30, 2025 were $457,367,122, deferred outflows of resources were $6,255,148, total liabilities were $166,713,211, and deferred inflows of resources were $4,857,626 resulting in a net position balance of $292,051,433.

The largest portion of the City's net position, $180,268,368 reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, infrastructure, and leased and subscription assets); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The table below is provided as a summary of the City's net position at year-end compared to the prior year:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current assets	$ 134,547,770	$ 119,558,757	$ 42,032,508	$ 34,140,601	$ 176,580,278	$ 153,699,358
Capital and other assets	219,574,388	216,309,161	59,818,458	60,584,833	279,392,846	276,893,994
Other assets	1,393,998	461,063	-	-	1,393,998	461,063
Total assets	355,516,156	336,328,981	101,850,966	94,725,434	457,367,122	431,054,415
Deferred outflows of resources	5,605,214	9,549,689	649,934	1,100,135	6,255,148	10,649,824
Current liabilities	19,313,617	22,343,623	5,329,517	5,416,987	24,643,134	27,760,610
Noncurrent liabilities	117,054,567	117,095,839	25,015,510	23,295,474	142,070,077	140,391,313
Total liabilities	136,368,184	139,439,462	30,345,027	28,712,461	166,713,211	168,151,923
Deferred inflows of resources	4,540,095	3,548,638	317,531	186,327	4,857,626	3,734,965
Net position						
Net investment in capital	131,841,211	121,903,228	48,427,157	44,879,862	180,268,368	166,783,090
Restricted	59,091,723	60,865,804	3,415,344	2,647,152	62,507,067	63,512,956
Unrestricted	29,280,157	20,121,538	19,995,841	19,399,767	49,275,998	39,521,305
Total net position	$ 220,213,091	$ 202,890,570	$ 71,838,342	$ 66,926,781	$ 292,051,433	$ 269,817,351

An additional portion of the City's net position totaling $62,507,067 or 21%, represent resources that are subject to external restrictions on how these funds can be used. The remaining balances of $49,275,998 is unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

The net position of the primary government (City) increased by $22,234,082 or 8% for the fiscal year ended September 30, 2025. The primary government's overall revenues decreased by $6,704,603 or 5% while overall expenses increased by $1,439,303 or less than 1%.

The fiscal year 2025 compared to fiscal year 2024 changes in the City's net position were as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	$ 13,807,892	$ 10,603,244	$ 28,595,877	$ 28,766,047	$ 42,403,769	$ 39,369,291
Operating grants and contributions	1,565,581	4,431,069	-	-	1,565,581	4,431,069
Capital grants and contributions	2,855,545	6,510,660	1,040,192	931,536	3,895,737	7,442,196
General revenues						
Property taxes	44,172,965	40,413,522	-	-	44,172,965	40,413,522
Sales taxes	12,978,718	12,808,093	-	-	12,978,718	12,808,093
Hotel/motel taxes	493,006	459,215	-	-	493,006	459,215
Franchise taxes	3,565,521	3,448,831	-	-	3,565,521	3,448,831
Grants not restricted to specific programs	1,202,914	9,736,804	-	-	1,202,914	9,736,804
Investment earnings	5,344,734	6,024,786	1,124,077	1,125,173	6,468,811	7,149,959
Gain on disposal of fixed assets	21,925	100,632	-	36,225	21,925	136,857
Miscellaneous	3,254,744	1,642,213	355,892	46,136	3,610,636	1,688,349
Total revenues	89,263,545	96,179,069	31,116,038	30,905,117	120,379,583	127,084,186
Expenses						
General government	8,541,511	8,584,694	-	-	8,541,511	8,584,694
Public safety	35,403,352	36,896,295	-	-	35,403,352	36,896,295
Public works	9,823,621	8,884,129	-	-	9,823,621	8,884,129
Community service	14,314,187	15,088,319	-	-	14,314,187	15,088,319
Water and sewer services	-	-	25,722,343	24,083,232	25,722,343	24,083,232
Interest	4,340,487	3,169,529	-	-	4,340,487	3,169,529
Total expenses	72,423,158	72,622,966	25,722,343	24,083,232	98,145,501	96,706,198
Increase in net position before transfers	16,840,387	23,556,103	5,393,695	6,821,885	22,234,082	30,377,988
Transfers	482,134	458,424	(482,134)	(458,424)	-	-
Change in net position	17,322,521	24,014,527	4,911,561	6,363,461	22,234,082	30,377,988
Net position, beginning of year	202,890,570	178,876,043	66,926,781	60,563,320	269,817,351	239,439,363
Net position, end of year	$ 220,213,091	$ 202,890,570	$ 71,838,342	$ 66,926,781	$ 292,051,433	$ 269,817,351

Governmental Activities - Governmental activities increased the City's net position by $17,322,521 in comparison with the beginning of the year net position, which is due in large part to property taxes, charges for services, and miscellaneous revenue. There was a net decrease of $6,915,524 or 7% in revenues over 2024 and a decrease in governmental expenses by $199,808 or 0.28%. The decrease in revenues was largely related to reduced grants not restricted to specific program amounts recognized compared to 2024 as the City spent the majority of the grant funds in 2024. The decrease in expenses was largely related to an overall decrease in public safety and community service expenses due to lower pension expense and compensated absence costs recognized in the current year Net position of governmental operations accounts for 75% of total net position.

Business-type Activities - Business-type activities increased the City's net position by $4,911,561 in comparison with the beginning of the year net position. Total revenue increased by $210,921 or 1%, which was due to an increase in miscellaneous receipts, which was partially offset by a decrease in investment earnings. Business-type activity expenses before transfers have increased by $1,639,111 or 7% due to increases in water costs due to an increase in water provider rates during the fiscal year. Net position for business-type activities represents 25% of total primary government net position.

Financial Analysis of the City's Funds

Government Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances were $118,054,674. Of this amount, $18,108,858 or 15% constitutes unassigned fund balance and is available for spending at the City's discretion. Fund balances restricted for specific purposes total $58,688,195 or 50%, which are not available for new spending. Specific purposes include non-spendable inventories and prepaid items; amounts restricted by statutes, bond covenants or granting agencies either for debt service payments, grant related use, special taxing districts, or for capital projects. Fund balances committed by City Council total $24,348,307 or 21% and can only be used for the purpose they are committed for and require formal action by City Council to spend. Assigned fund balance is $677,599 or 1%.

The General Fund is the main operating fund of the City. The revenues of the General Fund totaled $52,315,322 and the expenditures of the fund before other financing sources and users, totaled $49,687,699 for a surplus of revenues over expenditures amount of $2,627,623. After other financing sources and uses in the General Fund (transfers and issuance of leases/subscriptions), the change to fund balance was an increase of $4,321,982. This increase was due to an increase in property and other tax revenue, charges for services, and investment earnings offset by a decrease in license fees and permits, intergovernmental revenue, fines and forfeitures revenues, and increase in departmental expenditures. Department expenditures increased in large part due to the City providing 3% merit increases and targeted salary increases for public safety in order to retain high quality personnel and remain competitive. The City's ending fund balance of $18,315,640 is 37% of operating expenditures and meets the City's policy initiative of 25% of operating expenditures.

The Debt Service Fund balance has increased by $1,645,288. This increase was due to an increase in taxes collected due to increase in property values and transfers in from other funds.

The JPL Permanent Fund accounts for funds for the purpose of providing resources for the maintenance of the lake asset and the Joe Pool nature corridor. The change in fund balance for the year was an increase of $815,004 mainly due to increases in fair market value of investments as a result of strong market conditions.

The Capital Projects Fund accounts for all bond funds used for infrastructure improvements and other investments in the City. The fund had revenues of $2,275,171 from investment earnings and other government contributions during the fiscal year and incurred capital expenditures and fiscal charges totaling $10,010,572. During fiscal year 2025, the City issued bonded debt obligations of $12,785,000 to fund neighborhood and community parks, street reconstruction, drainage improvements, and water and sewer lines.

The Grants Fund accounts for activity related to grants awarded to the City in the governmental funds. The fund had intergovernmental revenues of $1,747,905 which were earned as federal expenditures were incurred. The full amount relates to expenditures of ARPA monies.

The total fund balance of the Non-Major governmental funds increased by $4,494,686. This increase is due to charges for services, investment earning, and miscellaneous revenues, which was partially offset by an increase in

community services costs and capital outlays for the non-major governmental funds. Additionally, net transfers out totaled $111,114 and were used to repay funds used from the general fund throughout the fiscal year for operations and capital projects.

Proprietary Funds - The City has two proprietary fund types, a water and sewer (enterprise) fund and two internal service funds. The enterprise fund financial statements provide similar information found in the government-wide financial statements but includes more detail. The Enterprise Fund had operating income of $4,352,909 at September 30, 2025. After other non-operating revenues and expenses, transfers and contributions, the net change in the net position of the City's enterprise fund was an increase of $4,911,561. The unrestricted net position of the Enterprise fund at the end of the fiscal year is $19,995,841 and are available for use. The restricted net position of the Enterprise Fund totaled $3,415,344 and is to be used for construction activities.

The Equipment Fund, an internal service fund, accounts for equipment purchased and leased to governmental funds. The Self-Insurance Fund, also an internal service fund and accounts for premiums received and health claims paid on behalf of city employees and retirees of the City. The net position of the combined Internal Service funds at the end of the fiscal year was $8,488,621. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

General Fund Budgetary Highlights - Actual General Fund revenue received in comparison to the final budget was a positive variance of $1,944,322. This positive variance is primarily due to taxes, franchise fees, licenses fees and permits revenues, charges for services, investment earnings, and miscellaneous revenue exceeding budgeted expectations due to a strong economy and investments earning a higher interest rate. General Fund expenditures before transfers had a final budget to actual positive variance of $2,442,654. The positive variance is primarily due to public safety and community services having less expenditures than budgeted. The transfers out of the General Fund were primarily to set aside funds for building, street construction, and drainage improvements.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities at fiscal year-end totaled $279,392,846. The investment in capital assets includes land, buildings, equipment, improvements, construction-in- progress (CIP), water rights (Joe Pool Lake), improvements other than buildings (includes infrastructure), and leased and subscription assets. The change in capital assets for the primary government over the prior year increased by $1,269,785.

Major capital assets additions as completed or in progress during the fiscal year 2025 included the following:

Completed

- Ashphalt and Concrete Street Repair
- FM 1382 West Enhancement Phase II
- FM1382 Hike and Bike Trail Phase III
- Crawford Park project
- Public Safety Compliant Communications Upgrade
- Red Oak Sewer Line Replacement
- North Cedar Hill Road Water Line Replacement Phase II

In-Progress

- Bear Creek and Duncanville Intersection project
- Downtown Streets Improvements Phase II
- US 67 and Lake Ridge Parkway right of way
- US 67 and Lake Ridge Water Line Replacement

The City's capital assets, net of accumulated depreciation/amortizaion, at fiscal year-end was as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	$ 23,120,324	$ 23,120,324	$ 371,264	$ 371,264	$ 23,491,588	$ 23,491,588
Construction in progress	8,149,795	15,790,540	3,171,527	6,599,268	11,321,322	22,389,808
Buildings	69,917,909	72,960,002	43,021	48,365	69,960,930	73,008,367
Water System	-	-	40,127,198	39,144,656	40,127,198	39,144,656
Sewer System	-	-	14,646,634	12,922,644	14,646,634	12,922,644
Equipment	11,028,183	8,013,188	895,186	1,224,467	11,923,369	9,237,655
Infrastructure	91,065,253	91,103,882	-	-	91,065,253	91,103,882
Land/Park Improvements	10,182,966	-	-	-	10,182,966	-
Water rights	4,608,781	5,098,209	-	-	4,608,781	5,098,209
Master studies	178,983	223,016	453,867	274,169	632,850	497,185
Leased equipment	343,842	365,533	9,454	12,605	353,296	378,138
Subscription assets	978,352	635,117	100,307	215,812	1,078,659	850,929
Total	$ 219,574,388	$ 217,309,811	$ 59,818,458	$ 60,813,250	$ 279,392,846	$ 278,123,061

Additional information on the City's capital assets can be found in *Note 4 t*o the financial statements.

Long-term debt - At September 30, 2025, the City had the following long-term liabilities:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Bonds and notes						
General obligation	$ 51,100,000	$ 57,130,000	$ 1,105,000	$ 1,635,000	$ 52,205,000	$ 58,765,000
General obligation-Direct placement	1,870,000	2,485,000	-	-	1,870,000	2,485,000
Certificates of obligation	38,745,000	34,290,000	22,220,000	19,485,000	60,965,000	53,775,000
Taxable Note	7,595,000	955,000	-	-	7,595,000	955,000
Taxable Note - Direct borrowing	1,055,000	1,635,000	-	-	1,055,000	1,635,000
Total bonds and notes	100,365,000	96,495,000	23,325,000	21,120,000	123,690,000	117,615,000
Other long-term debt						
Unamortized premiums	6,418,661	6,484,971	1,390,135	1,380,179	7,808,796	7,865,150
Arbitrage liabilities	1,116,971	-	277,395	-	1,394,366	-
Lease liabilities	329,841	370,006	9,673	12,759	339,514	382,765
Subscripton liabilities	1,220,941	664,894	75,473	192,613	1,296,414	857,507
Compensated absences	5,261,232	6,411,744	283,199	441,253	5,544,431	6,852,997
OPEB liability - Retiree Health	1,165,495	1,012,548	177,037	153,805	1,342,532	1,166,353
OPEB liability - SDBP	859,358	873,222	99,925	101,538	959,283	974,760
Net pension liability	13,403,057	19,186,121	1,558,495	2,230,944	14,961,552	21,417,065
Total other long-term debt	29,775,556	35,003,506	3,871,332	4,513,091	33,646,888	39,516,597
Total	$ 130,140,556	$ 131,498,506	$ 27,196,332	$ 25,633,091	$ 157,336,888	$ 157,131,597

The total bonds and notes outstanding for the City is $123,690,000, which is backed by the full faith and credit of the City with a property tax pledge.

The total outstanding for the general government was $100,365,000 while that of the business-type was $23,325,000. Property taxes are levied annually to pay annual principal and interest payments. The City maintains solid self-supporting annual debt commitments from the City's Water and Sewer Fund, the Community Development Corporation and the Economic Development Corporation. The self-supported outstanding bonded indebtedness by these entities' totals $26,335,556 or 21% of the total bonded debt of the primary government. The supporting entities are the Tri-City Animal Shelter, Economic Development Corporation, Community Development Corporation, the City's Enterprise Fund and the Hotel/Tourism Fund.

Other long-term liabilities relate to compensated absences, unamortized premiums, OPEB and Pension liabilities as identified in the table above. Additional information is detailed in the Notes to the Basic Financial Statements (*Note 6*).

The City's bond ratings by Standard & Poor's and Moody's Investor Services are currently as follows:

	Standard and Poor's	Moody's Investor Services
General Obligation Bonds	AA	Aa1
Certificates of Obligation	AA	Aa1

Component Units

Economic Development Corporation (EDC) - is a legally separate governmental entity that promotes (a) existing business enterprise expansion and retention, and (b) new business enterprise development. A one-eighth of one percent sales tax ($.00375) is collected to support.

EDC operations. The EDC's net position at September 30, 2025 was $19,932,391. The EDC increased its net position by $2,486,747 or 14% which is primarily attributable to sales tax.

The EDC's net investment in capital assets was $4,565,425 with restricted assets of $15,366,966. The restricted assets are available for permitted uses by the EDC Board of Directors. The EDC fund balance at September 30, 2025 was $15,555,703. The EDC's total revenues were $5,236,687 of which $4,282,727 was from sales taxes. For the year, the EDC had expenditures of $3,995,255, and of this amount, $1,169,125 was contractually required payments to the City for debt service payments.

The EDC's Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances can be viewed in the Other Supplemental Information section of this report.

Community Development Corporation (CDC) - is a legally separate governmental entity tasked with bringing recreational, park facility development and tourism opportunities to the City. A one-half of one percent sales tax ($.0050) supports the CDC's primary operations with supplements from fees and charges for recreational programs through the Alan E. Sims Recreation Center. The CDC's net position at September 30, 2025 was $12,453,043. The CDC decreased its net position by $1,172,910 which was primarily due to purchase of buildings and equipment which was then contributed to the City.

The CDC's net investment in capital assets was $170,384 with restricted assets of $12,282,659. The restricted assets are available for permitted uses by the CDC Board of Directors. The CDC fund balance at September 30, 2025 was $12,844,182. The CDC's total revenues were $6,571,473 of which $5,710,304 or 87% was from sales taxes. There were $436,893 or 7% in revenue from fees supporting programs at the Alan E. Sims Recreation Center.

For the year, the CDC had expenditures of $5,248,650 and of this amount, $940,644 or 12% was contractually required payments to the City for debt service payments, $462,563 or 9% were capital related expenditures for park improvements, trail improvements (F.M.1382 & South Clark) and various equipment, and $2,855,545 were expenditures for the contribution of the completed FM 1382 Hike and Bike Trail project and the purchase of

various equipment funded by the CDC and contributed to the City.

The CDC's Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances can be viewed in the Other Supplemental Information section of this report.

Economic Factors and Next Year's Budgets and Rates

In the most recent fiscal year, the City's growth in assessed taxable values moderated compared to prior years, reflecting broader regional market conditions. Residential and commercial development activity continued across single-family, multi-family, and commercial/retail sectors; however, assessed taxable value growth remained more measured. Valuation data from the Dallas and Ellis County Appraisal Districts indicate that market values continue to exceed taxable values, which may support future growth in taxable values over time.

The City is approximately 55% developed, with both commercial and residential projects planned or underway, including an 850-lot master-planned single-family residential development and a multi-family project adjacent to Hillside Village, a premier open-air retail destination in the Uptown District of Cedar Hill. The City has initiated the development of a Downtown Action Plan to guide future economic growth and revitalization efforts in historic downtown Cedar Hill. In addition, the future construction of Loop 9 along the City's southern border is expected to serve as a catalyst for additional commercial development. Commercial projects completed or currently under construction total more than 4,000,000 square feet of office and industrial space.

During fiscal year 2025, the City continued to invest in amenities intended to enhance quality of life for residents of all ages. Design commenced on the City's first dog park, Legacy Dog Park, which will be in the northeastern portion of Cedar Hill, which is intended to expand outdoor recreational opportunities for residents and their pets. In addition, the City continued planning efforts related to a future senior center to support programs, services, and gathering spaces for Cedar Hill's senior population as community needs evolve. The planned senior center addition to the Alan E. Sims Recreation Center is expected to support expanded services, improve accessibility, and promote active, healthy aging.

The City continues to implement comprehensive long-range capital plans coordinated with a fiscally prudent bond program. These plans support ongoing investment in core infrastructure and public assets, including improvements to neighborhood parks, repair and maintenance of asphalt and concrete streets, and upgrades to water and sewer systems. Together, these capital initiatives are intended to maintain service levels, support public safety and mobility, and address the evolving infrastructure needs of the community.

Within its boundaries, the City includes a rail-served industrial park known as Cedar Hill Business Park, which supports industrial and logistics uses. The Cedar Hill Economic Development Corporation actively markets available sites within the park to attract targeted industrial development that aligns with the City's economic development goals. Businesses located in the industrial park continue to operate successfully, with ongoing sales activity and expansion efforts. The industrial park remains an important component of the City's economic base, contributing to employment opportunities and supporting long-term economic stability.

As part of the ongoing Downtown Master Plan effort, the City is evaluating opportunities to guide the long-term growth and revitalization of historic downtown Cedar Hill. The planning process is focused on land use, connectivity, and public spaces, including strategies to enhance pedestrian access and strengthen linkages between downtown, government services at the Government Center, community amenities in the midtown area, and the Uptown shopping and retail district at Hillside Village.

Budget and Planning – The fiscal year 2026 budget was developed to support the essential city services relied upon by residents and customers while advancing the City Council's strategic priorities of Public Safety; Economic Development; Planning & Development; Community Engagement & Neighborhood Revitalization; and Communication. Each of the five focus areas includes high-impact action items and long-term priorities designed

to support the City Council's goals and advance the City's overall vision. These focus areas are reviewed and evaluated annually and may be adjusted in response to emerging priorities and changing environmental conditions. The following factors were considered by the City's elected and appointed officials when establishing the fiscal year 2026 budget and tax rate:

- A 5.82% increase in assessed taxable property values resulting from appreciation of market and taxable values seen throughout the region and new construction of $150.4 million
- Focus on City's financial policy objective to maintain a 25% fund balance (reserve) in the General Fund
- Incorporate increased operating costs related to the implementation of a market-adjusted general employee pay plan based on compensation market analysis

The general fund's largest single revenue source is property taxes, followed by sales taxes. The property tax rate for Fiscal Year 2026 was adopted at $0.636449 cents per $100 valuation. The 2026 budgeted tax revenue increase was $1,250,000 or 5.1% over fiscal year 2025 estimates.

The City's portion of the sales tax rate is $0.01875, and the City experienced sales tax moderately outperforming budget during 2025. The 2026 budget includes a 3.7% increase in sales tax compared to the 2025 budget. The City also has a voter approved Crime Control and Prevention District (CCPD) that receives one-eighth of a cent ($.00125). This sales tax was approved by voters in November 2017 to continue for 15 years. The CCPD continues to prove successful in its efforts of crime control and prevention which advances the City Council's strategic priority of public safety.

The City expects conservative and stable revenue growth in other governmental activities due to expected growth in service requirements for public safety, parks and community services.

For fiscal year 2026, Utility Fund operating revenues are expected to increase by 9.4% over fiscal year 2025 revenue estimates and operating expenses to increase 14.4% over expense estimates. Total budgeted expenses for the utility fund are $24,921,397 for fiscal year 2026, 73.3% of which are pass-through costs for wholesale water & wastewater treatment costs through the City's contract with Trinity River Authority and Dallas Water Utilities. The Water and Sewer fund is expected to maintain a working capital balance of 30% of operating expenditures which is within policy goals and initiatives.

For fiscal year 2026, new utility rates will go into effect. The City on an annual basis analyzes the financial impacts of water rates and revenues to expenses and capital planning of the water and wastewater systems. Cedar Hill remains highly competitive with respect to rates compared to benchmark cities. Into the future, the City will continue to examine cost saving and revenue enhancement initiatives.

Capital Planning Budget – The Capital Improvement Program (CIP) is a dynamic community planning and fiscal management tool used to coordinate the location, timing, and financing of capital improvements over a five-year horizon. The CIP is a working document and is reviewed and updated annually to reflect changing community needs, priorities, and funding opportunities to ensure that the infrastructure exists to advance the community's strategic and long-term goals and objectives. For fiscal year 2026, the City plans to issue $9.9 million in bonds to fund various capital projects identified in the CIP including construction and improvement of streets, sidewalks, and related improvements, including drainage and flood control improvements, streetscaping, and improving the City's water and wastewater system.

Request for Information

This financial report is designed to provide our citizen, taxpayers, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the Finance Department, City of Cedar Hill, 285 Uptown Blvd., Bldg. 100, Cedar Hill, Texas 75104, or call (972) 291-5100, extension 1063.

Basic Financial Statements

City of Cedar Hill, Texas
Statement of Net Position
September 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Corporation	Economic Development Corporation
ASSETS AND DEFERRED OUTLFOWS OF RESOURCES					
Cash and cash equivalents	$ 85,974,497	$ 16,833,049	$ 102,807,546	$ 12,195,592	$ 14,876,151
Investments	15,075,385	-	15,075,385	-	-
Receivables (net of allowances for uncollectible)	7,092,048	5,781,278	12,873,326	1,108,571	729,959
Lease receivable	2,190,999	-	2,190,999	-	-
Inventories	76,886	-	76,886	-	-
Prepaids	1,210,129	2,142	1,212,271	1,246	6,200
Other assets	1,393,998	-	1,393,998	-	-
Restricted cash and cash equivalents	22,927,826	19,416,039	42,343,865	-	-
Capital, lease and subscription assets:					
Capital assets not being depreciated	31,270,119	3,542,791	34,812,910	243,207	4,502,115
Capital assets, net of accumulated depreciation	186,982,075	56,165,906	243,147,981	15,756	79,432
Lease assets, net of amortization	343,842	9,454	353,296	-	-
Subscription assets, net of amortization	978,352	100,307	1,078,659	-	-
Total assets	355,516,156	101,850,966	457,367,122	13,564,372	20,193,857
Deferred Outflows of Resources					
Deferred loss on refunding	113,694	-	113,694	-	-
Deferred outflows of resources - Pension	5,058,531	588,201	5,646,732	176,460	58,820
Deferred outflows of resources - OPEB	432,989	61,733	494,722	32,273	9,412
Total deferred outflows of resources	5,605,214	649,934	6,255,148	208,733	68,232
Total assets and deferred outflows of resources	$ 361,121,370	$ 102,500,900	$ 463,622,270	$ 13,773,105	$ 20,262,089

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Corporation	Economic Development Corporation
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Current Liabilities					
Accounts payable	$ 3,879,225	$ 1,257,858	$ 5,137,083	$ 155,938	$ 32,217
Accrued liabilities	1,153,988	760,776	1,914,764	121,047	24,390
Unpaid claims payable	369,277	-	369,277	-	-
Retainage payable	233,917	104,046	337,963	39,279	-
Unearned revenue	68,669	-	68,669	144,963	-
Customer deposits	-	902,360	902,360	-	-
Accrued interest payable	522,552	123,655	646,207	-	-
Due within one year	13,085,989	2,180,822	15,266,811	26,054	5,257
Total current liabilities	19,313,617	5,329,517	24,643,134	487,281	61,864
Noncurrent Liabilities					
Due in more than one year	117,054,567	25,015,510	142,070,077	712,976	230,373
Total other liabilities	117,054,567	25,015,510	142,070,077	712,976	230,373
Total liabilities	136,368,184	30,345,027	166,713,211	1,200,257	292,237
Deferred Inflows of Resources					
Deferred gain on refunding	-	2,327	2,327	-	-
Deferred inflows of resources - leases	2,009,022	-	2,009,022	-	-
Deferred inflows of resources - Pension	1,652,588	192,162	1,844,750	57,648	19,216
Deferred inflows of resources - OPEB	878,485	123,042	1,001,527	62,157	18,245
Total deferred inflows of resources	4,540,095	317,531	4,857,626	119,805	37,461
Net Position					
Net investment in capital assets	131,841,211	48,427,157	180,268,368	170,384	4,565,425
Restricted:					
Debt service	4,053,374	-	4,053,374	-	-
Construction	15,576,133	3,415,344	18,991,477	-	-
Dispatch center	1,393,998	-	1,393,998	-	-
Other	16,130,862	-	16,130,862	12,282,659	15,366,966
JPL permanent fund:					
Nonexpendable	15,000,000	-	15,000,000	-	-
Expendable	6,937,356	-	6,937,356	-	-
Unrestricted	29,280,157	19,995,841	49,275,998	-	-
Total net position	220,213,091	71,838,342	292,051,433	12,453,043	19,932,391
Total liabilities, deferred inflows of resources and net position	$ 361,121,370	$ 102,500,900	$ 463,622,270	$ 13,773,105	$ 20,262,089

City of Cedar Hill, Texas
Statement of Activities
For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	$ 8,541,511	$ 286,648	$ 334,088	$ -
Public works	9,823,621	54,962	676,746	-
Public safety	35,403,352	5,562,503	274,746	-
Community services	14,314,187	7,903,779	280,001	2,855,545
Interest	4,340,487	-	-	-
Total governmental activities	72,423,158	13,807,892	1,565,581	2,855,545
Business-type Activities:				
Water and Sewer	25,722,343	28,595,877	-	1,040,192
Total business-type activities	25,722,343	28,595,877	-	1,040,192
Total primary government	$ 98,145,501	$ 42,403,769	$ 1,565,581	$ 3,895,737
Component units:				
Community Development Corporation	7,668,372	436,893	-	-
Economic Development Corporation	3,044,871	-	-	-
Total component units	$ 10,713,243	$ 436,893	$ -	$ -
General Revenues:				
Taxes:				
Property taxes				
Sales taxes				
Hotel/Motel taxes				
Franchise taxes				
Grants not restricted to specific programs				
Investment earnings				
Sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Community Development Corporation	Economic Development Corporation
$ (7,920,775)	$ -	$ (7,920,775)	$ -	$ -
(9,091,913)	-	(9,091,913)	-	-
(29,566,103)	-	(29,566,103)	-	-
(3,274,862)	-	(3,274,862)	-	-
(4,340,487)	-	(4,340,487)	-	-
(54,194,140)	-	(54,194,140)	-	-
-	3,913,726	3,913,726	-	-
-	3,913,726	3,913,726	-	-
$ (54,194,140)	$ 3,913,726	$ (50,280,414)	$ -	$ -
-	-	-	(7,231,479)	-
-	-	-	-	(3,044,871)
-	-	-	$ (7,231,479)	$ (3,044,871)
44,172,965	-	44,172,965	-	-
12,978,718	-	12,978,718	5,710,304	4,282,727
493,006	-	493,006	-	-
3,565,521	-	3,565,521	-	-
1,202,914	-	1,202,914	-	-
5,344,734	1,124,077	6,468,811	308,648	951,452
21,925	-	21,925	-	294,931
3,254,744	355,892	3,610,636	39,617	2,508
482,134	(482,134)	-	-	-
71,516,661	997,835	72,514,496	6,058,569	5,531,618
17,322,521	4,911,561	22,234,082	(1,172,910)	2,486,747
202,890,570	66,926,781	269,817,351	13,625,953	17,445,644
$ 220,213,091	$ 71,838,342	$ 292,051,433	$ 12,453,043	$ 19,932,391

City of Cedar Hill, Texas
Balance Sheet
Governmental Funds
September 30, 2025

	General	Debt Service Fund	JPL Permanent Fund	Capital Projects Fund
Assets				
Cash, cash equivalents and investments	$ 17,134,180	$ 4,035,525	$ 21,917,931	$ 29,386,074
Receivables (net of allowances for uncollectible)	4,952,232	430,523	19,425	287,319
Lease receivable	2,190,999	-	-	-
Interfund loan receivable	-	-	-	-
Prepaid items	136,129	-	-	1,016,860
Inventories	-	-	-	76,886
Total assets	$ 24,413,540	$ 4,466,048	$ 21,937,356	$ 30,767,139
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 882,999	$ -	$ -	$ 2,206,337
Accrued liabilities	1,016,443	-	-	834
Interfund loan payable	-	-	-	-
Retainage payable	-	-	-	233,917
Unearned revenue	-	-	-	-
Total liabilities	1,899,442	-	-	2,441,088
Deferred Inflows of Resources				
Unavailable revenue - property tax	1,090,643	412,674	-	-
Unavailable revenue - franchise	465,621	-	-	-
Unavailable revenue - ambulance	145,950	-	-	-
Unavailable revenue - court fines	176,551	-	-	-
Unavailable revenue - grants	208,946	-	-	-
Unavailable revenue - other	101,725	-	-	-
Lease related	2,009,022	-	-	-
Total deferred inflows of resources	4,198,458	412,674	-	-
Fund Balances				
Nonspendable	136,129	-	-	1,093,746
Nonspendable for				
JPL permanent fund	-	-	15,000,000	-
Restricted for				
General government	-	-	-	-
Public works	-	-	-	27,232,305
Public safety	-	-	-	-
Community services	-	-	-	-
Debt service	-	4,053,374	-	-
Committed for				
JPL nature corridor	-	-	6,937,356	-
Infrastructure	-	-	-	-
Facilities	-	-	-	-
Assigned	-	-	-	-
Unassigned	18,179,511	-	-	-
Total fund balances	18,315,640	4,053,374	21,937,356	28,326,051
Total liabilities, deferred inflows of resources and fund balances	$ 24,413,540	$ 4,466,048	$ 21,937,356	$ 30,767,139

Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 1,207,258	$ 44,124,173	$ 117,805,141
307,151	1,095,030	7,091,680
-	-	2,190,999
-	189,689	189,689
-	1,840	1,154,829
-	-	76,886
$ 1,514,409	$ 45,410,732	$ 128,509,224
$ 187,765	$ 602,124	$ 3,879,225
-	136,711	1,153,988
-	189,689	189,689
-	-	233,917
24,395	44,024	68,419
212,160	972,548	5,525,238
-	68,451	1,571,768
-	-	465,621
-	-	145,950
-	5,138	181,689
244,591	-	453,537
-	-	101,725
-	-	2,009,022
244,591	73,589	4,929,312
-	1,840	1,231,715
-	-	15,000,000
-	5,465,789	5,465,789
-	11,271,654	38,503,959
1,057,658	2,120,274	3,177,932
-	7,487,141	7,487,141
-	-	4,053,374
-	822,832	7,760,188
-	7,338,156	7,338,156
-	9,249,963	9,249,963
-	677,599	677,599
-	(70,653)	18,108,858
1,057,658	44,364,595	118,054,674
$ 1,514,409	$ 45,410,732	$ 128,509,224

CEDAR HILL

THE **NATURAL HEART** OF THE METROPLEX

City of Cedar Hill, Texas
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances - governmental funds	$ 118,054,674
Capital, lease, and subscription assets used in governmental activities are not financial resources and are therefore not reported in the funds (including internal service fund assets of $2,629,913).	219,574,388
The regional dispatch center is not reported at the fund level.	1,393,998
Revenues earned but not available within sixty days of fiscal year-end are not recognized as revenue in the governmental funds financial statements.	2,920,290
Accrued interest on governmental activities debt is not reported in the funds until paid.	(522,552)
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of the internal service funds are included with governmental activities. Amount represents net position excluding the capital assets included above.	5,858,708
Long-term liabilities, including related deferred outflows and deferred inflows, are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of	
General obligation bonds	(52,970,000)
Certificates of obligation	(38,745,000)
Taxable notes	(8,650,000)
Arbitrage liabilities	(1,116,971)
Lease liabilities	(329,841)
Subscription liabilities	(1,220,941)
Deferred loss on refunding	113,694
Unamortized premiums	(6,418,661)
Compensated absences	(5,261,232)
Total OPEB liability	(2,024,853)
Net pension liability	(13,403,057)
Deferred outflows of resources - pension	5,058,531
Deferred outflows of resources - OPEB	432,989
Deferred inflows of resources - pension	(1,652,588)
Deferred inflows of resources - OPEB	(878,485)
Total net position - governmental activities	$ 220,213,091

City of Cedar Hill, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2025

	General	Debt Service Fund	JPL Permanent Fund	Capital Projects Fund
Revenues				
Taxes, penalties and interest	$ 41,159,201	$ 12,112,565	$ -	$ -
Franchise fees	3,530,871	-	-	-
License fees and permits	1,663,855	-	-	-
Intergovernmental	195,665	2,109,769	-	1,025,181
Charges for services	2,792,283	-	-	-
Fines and forfeitures	1,094,458	-	-	-
Investment earnings	1,464,943	19,610	1,026,090	1,198,466
Grants and donations	15,572	-	-	-
Miscellaneous	398,474	-	-	51,524
Total revenues	52,315,322	14,241,944	1,026,090	2,275,171
Expenditures				
Current:				
General government	7,240,526	4,888	-	274,607
Public works	2,866,213	-	-	-
Public safety	30,736,625	-	-	309
Community services	7,323,313	-	-	135,207
Debt service:				
Principal retirement	490,705	8,915,000	-	-
Interest and fiscal charges	38,125	3,767,018	-	-
Bond issuance costs	-	-	-	271,867
Capital outlay	992,192	-	-	9,328,582
Total expenditures	49,687,699	12,686,906	-	10,010,572
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,627,623	1,555,038	1,026,090	(7,735,401)
Other Financing Sources (Uses)				
Transfers in	1,107,134	90,250	-	-
Transfers out	(393,050)	-	(211,086)	-
Leases issued	34,436	-	-	-
Subscriptions issued	875,724	-	-	-
Premium on issuance of debt	-	-	-	520,809
Issuance of bonds	-	-	-	12,785,000
Sale of capital assets	70,115	-	-	-
Total other financing sources (uses)	1,694,359	90,250	(211,086)	13,305,809
Net Change in Fund Balances	4,321,982	1,645,288	815,004	5,570,408
Fund Balances, Beginning of Year	13,993,658	2,408,086	21,122,352	22,755,643
Fund Balances, End of Year	$ 18,315,640	$ 4,053,374	$ 21,937,356	$ 28,326,051

Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 4,137,132	$ 57,408,898
-	55,697	3,586,568
-	-	1,663,855
1,747,905	23,300	5,101,820
-	4,941,993	7,734,276
-	176,919	1,271,377
279,460	1,158,100	5,146,669
-	53,912	69,484
25,174	2,779,572	3,254,744
2,052,539	13,326,625	85,237,691
-	10,850	7,530,871
1,565	12,300	2,880,078
424,199	2,761,819	33,922,952
58,452	5,213,727	12,730,699
24,193	65,244	9,495,142
1,641	4,776	3,811,560
-	-	271,867
1,459,761	837,973	12,618,508
1,969,811	8,906,689	83,261,677
82,728	4,419,936	1,976,014
-	604,136	1,801,520
-	(715,250)	(1,319,386)
-	63,953	98,389
-	121,911	997,635
-	-	520,809
-	-	12,785,000
-	-	70,115
-	74,750	14,954,082
82,728	4,494,686	16,930,096
974,930	39,869,909	101,124,578
$ 1,057,658	$ 44,364,595	$ 118,054,674

CEDAR HILL

THE **NATURAL HEART** OF THE METROPLEX

City of Cedar Hill, Texas
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	16,930,096
Change in revenues not considered available in the governmental funds.		(149)
This amount is the amount of governmental activities capital asset additions for the current period, $15,869,222, less $2,855,545 in contributed assets and $395,169 of additions allocated from the internal service fund.		12,618,508
Depreciation/amortization on capital, lease, and subscription assets is reported in the Statement of Activities but does not require the use of current financial resources. Therefore, depreciation/amortization is not reported as expenditures in the governmental funds. This amount excludes $1,040,127 of depreciation/amortization in the internal service fund.		(11,780,875)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		
Donation of capital assets		2,855,545
Contribution of capital assets to business-type activities		(272,000)
Loss on disposal of assets		(511,644)
		2,071,901
The net increase in equity of the regional dispatch center joint venture is not reported at the fund level; however, it is reported at the government-wide level.		932,935
The issuance of long-term debt (e.g. bonds, leases, subscription liabilities) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of long-term debt		(12,785,000)
Subscriptions issued		(997,635)
Leases issued		(98,389)
Premiums on issuance of long-term debt		(520,809)
Repayment on principal on long-term debt		8,915,000
Repayment on principal on leases		138,554
Repayment on principal on subscription liabilities		441,588
Change in arbitrage liabilities		(1,116,971)
Amortization of:		
Premium on issuance of long-term debt		587,119
Loss on refunding		(68,532)
Current year change in accrued interest payable does/(does not) require the use of current financial resources; and, therefore is/(is not) reported as an expense in the government-wide statements.		59,457
Current year changes in certain long-term liabilities do/(do not) require the use of current financial resources and, therefore, are/(are not) reported as expenditures in governmental funds.		
Net Pension liability and related deferred outflows and inflows of resources		685,221
Total OPEB liability and related deferred outflows and inflows of resources		(77,533)
Compensated absences liability		1,150,512
The internal service fund is used by management to charge the costs of certain activities, such as fleet management, to individual funds. The change in net position of the internal service fund is reported with governmental activities.		237,523
Change in net position of governmental activities	$	17,322,521

City of Cedar Hill, Texas
Statement of Net Position
Proprietary Funds
September 30, 2025

	Business-type Activities - Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Assets		
Current assets		
Cash and cash equivalents	$ 16,833,049	$ 6,172,567
Receivables (net, of allowance for uncollectibles):		
Accounts	5,779,036	-
Interest	2,242	368
Prepaid expenses	2,142	55,300
Restricted assets:		
Customer deposits - cash and cash equivalents	902,360	-
Capital recovery fee funds - cash and cash equivalents	4,842,613	-
Pro rata funds - cash and cash equivalents	155,713	-
Bond proceeds - cash and cash equivalents	13,515,353	-
Total current assets	42,032,508	6,228,235
Capital, lease and subscription assets		
Nondepreciable	3,542,791	-
Capital, lease and subscription assets, net	56,275,667	2,629,913
Total noncurrent assets	59,818,458	2,629,913
Total assets	101,850,966	8,858,148
Deferred Outflows of Resources		
Deferred outflows of resources - Pension	588,201	-
Deferred outflows of resources - OPEB	61,733	-
Total deferred outflows of resources	649,934	-

	Business-type Activities - Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Liabilities		
Current liabilities		
Payable from current assets:		
Accounts and contracts payable	1,257,858	-
Accrued liabilities	760,866	-
Retainage payable	104,046	-
Unpaid claims liabilities	-	369,277
Compensated absences - current	63,114	-
Total payable from current assets	2,185,884	369,277
Payable from restricted assets:		
Accrued interest payable	123,655	-
Unearned revenue	-	250
Customer deposits	902,270	-
Bonds payable - current	2,039,261	-
Lease liability - current	3,154	-
Subscription liability - current	75,293	-
Total payable from restricted assets	3,143,633	250
Total current liabilities	5,329,517	369,527
Noncurrent liabilities		
Bonds payable, net	22,675,874	-
Arbitrage liability	277,395	-
Compensated absences	220,085	-
Lease liability	6,519	-
Subscription liability	180	-
Net pension liability	1,558,495	-
Total OPEB liability	276,962	-
Total noncurrent liabilities	25,015,510	-
Total liabilities	30,345,027	369,527
Deferred Inflows of Resources		
Deferred gain on refunding	2,327	-
Deferred inflows of resources - Pension	192,162	-
Deferred inflows of resources - OPEB	123,042	-
Total deferred inflows of resources	317,531	-
Net Position		
Net investment in capital assets	48,427,157	2,629,913
Restricted for		
Construction	3,415,344	-
Unrestricted	19,995,841	5,858,708
Total net position	$ 71,838,342	$ 8,488,621

CEDAR HILL

THE **NATURAL HEART** OF THE METROPLEX

City of Cedar Hill, Texas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2025

	Business-type Activities - Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Operating Revenues		
Water sales	$ 16,008,068	$ -
Sewer charges	12,587,809	-
City and employee contributions	-	5,195,488
Miscellaneous revenue	355,892	1,345,472
Total operating revenues	28,951,769	6,540,960
Operating Expenses		
Sewage treatment	8,149,868	-
Purchase of water	5,710,247	-
Personnel services	3,661,060	-
Depreciation and amortization	2,425,425	1,040,127
Gross receipts fee	1,025,000	-
Heat, light and power	413,081	-
Repairs and maintenance	570,189	-
Contractual services	1,832,809	-
Materials and supplies	794,064	42,643
Claims paid and change in estimate	-	4,126,379
Administrative and fiscal services	-	1,194,989
Miscellaneous expense	17,117	119,289
Total operating expenses	24,598,860	6,523,427
Operating Income	4,352,909	17,533
Nonoperating Revenues (Expenses)		
Investment income	1,124,077	198,065
Interest and fiscal charges	(981,606)	-
Gain (loss) on retirement of capital assets	(44,100)	21,925
Bond issuance costs	(97,777)	-
Total nonoperating revenues (expenses)	594	219,990
Income Before Impact Fees and Transfers	4,353,503	237,523
Capital contributions	272,000	-
Impact fees	768,192	-
Transfers out	(482,134)	-
Change in Net Position	4,911,561	237,523
Net Position, Beginning of Year	66,926,781	8,251,098
Net Position, End of Year	$ 71,838,342	$ 8,488,621

City of Cedar Hill, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

	Business-Type Activities - Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
Cash Flows from Operating Activities		
Cash received from customers	$ 29,134,836	$ -
Cash received from interfund charges for services		555,176
Cash received from city and employee contributions	-	5,195,488
Cash received from the wellness program	-	190,035
Cash paid to suppliers	(18,281,272)	(42,643)
Cash paid to employees	(3,887,312)	-
Cash payments for claims	-	(4,259,144)
Cash paid for administrative and fiscal services	-	(1,314,278)
Net cash provided by operating activities	6,966,252	324,634
Cash Flows from Noncapital Financing Activities		
Transfers to other funds	(482,134)	-
Net cash (used for) noncapital financing activities	(482,134)	-
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,284,492)	(121,489)
Proceeds from sales of assets	10,400	21,925
Contributions - impact fees	768,192	-
Proceeds from bond issuance including premiums	4,047,777	-
Principal paid on outstanding bonds and subscription liabilities	(1,830,226)	-
Interest paid on relating debt financing	(954,552)	-
Net cash provided by (used for) capital and related financing activities	757,099	(99,564)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	-	126,360
Interest received on investments	1,124,077	198,065
Net cash provided by investing activities	1,124,077	324,425
Increase in Cash and Cash Equivalents	8,365,294	549,495
Cash and Cash Equivalents, Beginning of Year	27,883,794	5,623,072
Cash and Cash Equivalents, End of Year	$ 36,249,088	$ 6,172,567

City of Cedar Hill, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

	Business-Type Activities Enterprise Funds	Governmental Acitivities
	Water and Sewer Fund	Internal Service Funds
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash and cash equivalents	$ 16,833,049	$ 6,172,567
Restricted - customer deposits	902,360	-
Restricted - capital recovery fees funds-cash and cash equivalents	4,842,613	-
Restricted - pro rata funds-cash and cash equivalents	155,713	-
Restricted - bond proceeds-cash and cash equivalents	13,515,353	
Total cash and cash equivalents	$ 36,249,088	$ 6,172,567
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 4,352,909	$ 17,533
Depreciation and amortization	2,425,425	1,040,127
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	241,689	32,665
(Increase) decrease in prepaids	3,281	-
(Increase) decrease in deferred pension outflows	445,634	-
(Increase) decrease in deferred OPEB outflows	4,567	-
Increase (decrease) in accounts payable	227,822	(812,441)
Increase (decrease) in customer deposits	(58,622)	-
Increase (decrease) in deferred pension inflows	147,139	-
Increase (decrease) in deferred OPEB inflows	(14,708)	-
Increase (decrease) in compensated absences	(158,054)	-
Increase (decrease) in pension liablities	(672,449)	-
Increase (decrease) in OPEB liablities	21,619	-
Increase (decrease) in claims liabilities	-	46,750
Net cash provided by operating activities	$ 6,966,252	$ 324,634
Schedule of Noncash Capital and Related Financing Activities:		
Accounts and retainage payable related to capital asset acquisitions	$ 204,409	$ -
Contribution of capital assets from governmental activities	272,000	-

City of Cedar Hill, Texas
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2025

	Pension Trust Fund
	Police Reserves Benefit Fund
Assets	
Cash and cash equivalents	$ 439
Investments	84,812
Total assets	85,251
Net Position	
Net position restricted for pensions	$ 85,251

City of Cedar Hill, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended September 30, 2025

	Pension Trust Fund
	Police Reserves Benefit Fund
Additions	
Investment income, net	$ 7,467
Total additions	7,467
Deductions	
Benefits paid	11,868
Total deductions	11,868
Net Decrease in Net Position	(4,401)
Net Position Restricted Pensions, Beginning of Year	89,652
Net Position Restricted for Pensions, End of Year	$ 85,251

CEDAR HILL

THE **NATURAL HEART** OF THE METROPLEX

Note 1. Summary of Significant Accounting Policies

The City of Cedar Hill, Texas (the City) was incorporated in 1938. The City operates as a home-rule city under a council-manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, water and sewer utilities, public library, parks and recreation, public improvements, economic development, planning, zoning and code enforcement, and general administrative services. Sanitation collection services are provided through a private contractor.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These notes are organized to provide concise explanations, including required disclosures of budgetary matters, assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, expenditures/expenses, and other information considered important to gaining a clear picture of the City's financial activities for the fiscal year ended September 30, 2025. The significant accounting and reporting policies and practices used by the City are described below.

Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member council. As required by GAAP, the financial statements present the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. This report includes the financial statements of the City's primary government, which cover all funds or organizations that are part of the legal entity for which the primary government is financially responsible.

Additionally, the component unit columns in the basic financial statements present the financial data of the discretely presented component units, which are legally separate entities responsible to the City's governing body, the City Council. The Community Development Corporation (CDC) is a legally separate entity incorporated on May 12, 1994. The City Council appoints the governing board of this entity, which serves the purpose of developing community recreational, educational and similar facilities, and approves its budget. The City is financially accountable for the Corporation and has the ability to control the Corporation's activities. The Corporation was established for the financial benefit of the City. The Economic Development Corporation (EDC) is a legally separate entity incorporated on September 8, 1994. The City Council appoints the governing board for this entity, which serves the purpose of (a) promoting existing business enterprise expansion and retention and (b) new business enterprise development and attraction, and (c) approves its budget. The City is financially accountable for the Corporation and has the ability to control the Corporation's activities. The Corporation was established for the financial benefit of the City.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment benefits, and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, certain public safety and other revenues associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Licenses, permits, charges for services, and fines and forfeitures are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest earnings and intergovernmental revenue are recorded as earned since they are measurable and available.

The City reports the following major governmental funds:

- The G*eneral Fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- The *Debt Service Fund* accounts for the accumulation of resources (primarily property tax levies) to be used for the payment of principal, interest and related costs of general long-term liabilities.
- The *Joe Pool Permanent Fund* accounts for and maintains equity for the Joe Pool Lake (JPL) nature corridor for a perpetual revenue stream for preservation and development of the JPL recreational and economic asset associated with the lake's resources. The fund also accounts for resources related to operations and maintenance expenditures and one-time capital related projects specific to the JPL nature corridor.
- The *Capital Projects Fund* accounts for funds to be used for infrastructure improvements relating to streets, parks, trails and facilities. This major fund aggregates all of the City's bond funds.
- The *Grants Fund* accounts for the various federal, state, and local grant revenue received by the City. All grants included in this fund are for specific projects with limited duration. The City has designated this fund as major.

The City reports the following major proprietary fund:

- The *Enterprise Fund* accounts for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's water and sewer system is accounted for through this fund.

Additionally, the City reports the following funds:

- *Fiduciary Fund – The Police Reserves Benefit Fund* is used to hold assets for the benefit of third party participants (Police Reserve Officer participants/retirees) and cannot be used to address activities or obligations of the primary government.
- The *Internal Service Funds*- the *Equipment Fund* is used to purchase equipment and lease it to other funds of the City. The *Health Insurance Fund* is used to account for the City's self-insurance activities provided to other departments or funds of the City on a cost reimbursement basis.
- *Nonmajor funds* include both special revenue funds and capital projects funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are franchise fees and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as they are needed. Governmental funds with legally adopted annual budgets include the General Fund and JPL Permanent Fund.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

Deposits and Investments

The City considers both restricted and unrestricted demand deposits, cash on hand, investments in highly liquid investment pools and investments with maturities at the time of purchase of under 90 days to be cash equivalents.

The City pools substantially all cash and investments except for separate cash and investment accounts which are maintained in accordance with legal restrictions. Each fund's equity share of the total pooled cash and investments is included on the accompanying statement of net position and balance sheet under the caption "Cash, Cash Equivalents and Investments". Investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The City considers pricing provided by a pricing service at September 30, 2025, to be the fair value of investments. Interest earned on investments is recorded in the funds in which the investments are recorded.

Receivables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "interfund loans receivable/payable to/from other funds" (i.e., long term interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." There are no internal balances as of September 30, 2025.

Property taxes attach an enforceable lien on property as of January 1. The City's property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after February 1 of each year. The Dallas County Tax Office bills and collects all property taxes for the City. Any uncollected property taxes as of September 30, which are not expected to be collected within 60 days, are recorded as taxes receivable and unavailable revenues. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Lease Receivable

The City is a lessor for noncancellable leases related to building space, land space and tower space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the lessee's rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Inventories and Prepaid Items

Inventories are stated at specific identified costs and are recorded as expenditures when consumed rather than when purchased. Prepaid items are payments made by the City in the current year to provide services occurring in the subsequent fiscal year. A corresponding portion of fund balance is shown as nonexpendable in governmental funds to indicate it is not available for other subsequent expenditures. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain proceeds of bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by contractual agreements. Customer deposits received by water and wastewater services are, by law, considered to be restricted assets. Capital recovery and pro rata funds are classified as restricted assets on the statement of net position because their use is limited by legislation.

Capital Assets

Capital assets, which include land, building/facility and improvements, equipment, water rights, master studies and infrastructure assets (e.g., roads, culverts, drainage systems and similar items), purchased or acquired, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated or contributed capital assets are recorded at acquisition value at the date of donation or contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Depreciation and amortization on capital assets is calculated on the straight-line basis over the following estimated useful lives:

Building/Facilities and improvements	10 - 60 years
Equipment	3 - 30 years
Water rights	50 years
Master studies	5 years
Infrastructure	20 - 50 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred loss on refunding – this deferred outflow results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

- Changes in actuarial assumptions and other inputs included in determining the OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Differences between expected and actual economic experience for the City's pension and OPEB plan – These effects on the pension and OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and, therefore, will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported in the Statements of Net Position and/or balance sheet are as follows:

- Deferred gain on refunding – this deferred inflow results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Differences between expected and actual economic experience for the City's OPEB plans – These effects on the pension and OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

- Changes in actuarial assumptions and other inputs included in determining the pension and OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

- Difference in projected and actual earnings on pension assets - This difference is deferred and amortized over a closed five-year period.

- Leases – Represents the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. This deferred inflow is recorded at both the fund level and government-wide financial statements.

- Unavailable revenue – This arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property and franchise taxes, court fines and fees, ambulance billing, alarm permits, and intergovernmental revenues.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick leave is accrued to the extent that they meet all of the following criteria: 1) the City's obligation is attributable to employees' services already rendered; 2) the leave accumulates; and 3) it is more likely than not that the City will compensate the employee for the benefits through leave time or other means, such as cash payments. City employees earn vacation and sick leave in varying amounts, depending on job position and length of continued service. Employees who leave in good standing will receive a payout for the total of all accrued vacation and sick leave balances up to the related maximum amount as outlined by the City's policy.

The measurement of the liability for compensated absences was determined by applying the last-in-first-out (LIFO) method for vacation and sick time accumulated and includes additional salary related payments for Social Security and Medicare, in accordance with GASB Statement No. 101, Compensated Absences. The related liability is recorded in the government-wide financial statements and proprietary fund statements equal to the estimated payout for accrued balances.

Unearned Revenues

Governmental funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of grant dollars received in advance of incurring eligible expenditures.

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease Liability

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital, lease, and subscription assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Subscription Liability

The City contracts for noncancellable subscriptions of information technology software. The City recognizes a subscription liability and an intangible subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of $5,000 or more.

At the commencement of a subscription, the City measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the subscription-based information technology arrangement (SBITA) vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with capital, lease, and subscription assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due.

Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Defined Benefit Other Postemployment Benefit Plans

The City has two single-employer defined benefit other postemployment benefit (OPEB) plans. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Allocation of OPEB related balances to reporting units is determined on the basis of employee payroll funding.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources of governmental and business-type activities and proprietary funds. The government-wide and proprietary fund financials utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This amount consists of capital, lease and subscription assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt, that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – This amount is restricted by external parties such as creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover the gap between estimated revenue and appropriations in the subsequent year's budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

Fund Balance and Net Position Flow Assumptions

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Minimum Fund Balance Policy

It is the policy of the City to achieve and maintain an unassigned fund balance in the General Fund of at least twenty-five percent of budgeted expenditures, a working capital of at least thirty-five percent of estimated expenditures for the Water and Sewer Fund, a fund balance in the Community Development Corporation Fund of twenty-five percent of budgeted revenues, a fund balance in the Economic Development Corporation Fund equal to fifteen percent of budgeted revenues and a fund balance in the Debt Service Fund equal to fifteen percent of budgeted expenditures.

Deficit Fund Balance

At September 30, 2025 the Winding Hollow PID had a deficit fund balance of $70,653 due to prior year capital expenses to build a screening wall. The deficit will be eliminated over a period of time through tax collections.

Excess of Expenditures Over Appropriations

The Municipal Court and Library funds incurred expenditures exceeding appropriations at the legal level of budgetary control. Expenditures exceeding appropriations were funded through revenue surplus received during the year for the Municipal Court and Library funds. As mentioned in the management's discussion and analysis, there were several revenue collections that were received higher as expected and hence, were utilized to cover these shortages in expenditures.

Other Restricted Net Position
Other restricted net position shown for governmental activities on the government wide statement of net position consists of the following restrictions.

	Restricted for Other
General government	$ 336,163
Police forfeiture	341,273
Hotel Occupancy	1,562,323
Municipal court	158,966
Library	6,713
Grant funds	1,057,658
PID	2,149,736
PEG	698,550
Crime control	1,312,711
Animal shelter	245,682
Fire training	61,642
Landscape	3,340,477
TIF	4,431,076
Park	427,892
Total	$ 16,130,862

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City's management to make estimates and assumptions that effect reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results may differ from those estimates.

Adoption of New Accounting Standards

The City has adopted and implemented the following statement during fiscal year ended September 30, 2025.

GASB Statement No. 101, *Compensated Absences,* supersedes Statement 16, *Accounting for Compensated Absences,* issued in 1992. This Statement updates the recognition and measurement guidance for compensated absenses by aligning the guidance under a unified model. This will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation and can be applied consistently to any type of leave. The City has implemented this Statement in fiscal year 2025, which had no impact on beginning of year net position.

GASB Statement No. 102, *Certain Risk Disclosures,* supersedes the Statement by the National Council of Governmental Accounting (NCGA) Interpretation 6, *Notes to the Financial Statements Disclosure,* paragraph 5. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constratints. For concentrations and constraints meeting the definitions in the Statement, governments will disclose the concentrations or constraints, related events that could have a substantial impact, and action taken to mitigate the risk. The City has implemented this Statement in fiscal year 2025, which had no impact on beginning of year net position.

Future Financial Reporting Requirements

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to September 30, 2025. The City will evaluate the potential impact on the City's net position.

Statement No.	Title	Adoption Required
103	*Financial Reporting Model Improvements*	September 30, 2026
104	*Disclosure of Certain Capital Assets*	September 30, 2026
105	*Subsequent Events*	September 30, 2027

Note 2. Deposits And Investments

Included in the statement of net position and the statement of fiduciary net position are cash and investments totaling $160,312,047, excluding the discretely presented component units, which are disclosed below.

		Investment Maturities (in Years)		
	Fair Value	Less than 1	1-5	6-10
City Cash:	$ 44,896,709	$ 44,896,709	$ -	$ -
Certificates of deposit	66,126,655	66,126,655	-	-
Investment pools	34,128,047	-	34,128,047	-
Total cash and cash equivalents	$ 145,151,411	$ 111,023,364	$ 34,128,047	$ -
City Investments:				
US Tresury Obligations	6,075,235	-	6,075,235	-
US Agency Obligations	9,000,150	9,000,150	-	-
Total investments	15,075,385	9,000,150	6,075,235	-
	$ 160,226,796	$ 120,023,514	$ 40,203,282	$ -
Pension Trust Fund:				
Cash	$ 439	$ -	$ -	$ -
Equities	84,812	-	84,812	-
Total cash, cash equivalents and investments	$ 85,251	$ -	$ 84,812	$ -

Fair Value Measurements

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At September 30, 2025, the City had the following recurring fair value measurements:

		Inputs			Weighted Average
	September 30, 2025	Level 1	Level 2	Level 3	Maturity (years)
Investments by fair value level					
US Treasury	6,075,235	-	6,075,235	-	1.54
US Agency obligations	9,000,150	-	9,000,150	-	0.95
Total Investments by fair value level - City	15,075,385	-	15,075,385	-	
Pension Trust Fund:					
Equities	$ 84,812	$ -	$ 84,812	$ -	

The investments amount of $84,812 recorded in the City's fiduciary fund relate entirely to pooled investments.

Custodial Credit Risk-Deposits

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. It is the City's policy to require all deposits with financial institutions to be collateralized to the extent not protected by F.D.I.C. insurance. Securities that can be accepted include obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies; and other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities.

At year end, the carrying amount of the City's deposits with financial institutions was $111,023,803 and the bank balance was $123,272,560. The financial institution balances were completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

Custodial Credit Risk-Investments

The laws of the State of Texas and prudent treasury management require that all purchased securities shall be held in safekeeping by either a City account in a third-party financial institution, or the City's safekeeping account in its designated depository bank, or in a Federal Reserve Bank. Securities owned by the City are held by the City's depository at the Federal Home Loan Bank in a separate account for the City.

Credit Risk

The City's investment policy, which complies with state statues, manages credit risk by limiting investments to specific types of investments and by forbidding the investment of funds in investments authorized by the state's Public Funds Investment Act, but not approved by the City Council. This policy permits investments in: 1) obligations of the United States or its agencies and instrumentalities; 2) direct obligations of the State of Texas or its agencies; 3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; 4) Certificates of deposit issued by state and national banks domiciled in the State of Texas; 5) direct repurchase agreements with primary security dealers having a defined termination date, and secured by U.S. Government or federal agency securities; 6) SEC- registered and regulated, no-load money market mutual funds with a dollar-weighted average portfolio maturity of 90 days or less whose assets comply with the Public Funds Investment Act; 7) investment pools that comply with the requirements of the Public Funds Investment Act approved by the City Council.

In compliance with the City's Investment Policy, the City minimizes credit risk, the risk of losses due to default of the issuer and concentration risk, the risk of loss attributed to the magnitude of investment in a single issuer by limiting investments to the safest types of issuers, prequalifying financial institutions, brokers and dealers and by diversifying the investment portfolio so that potential losses on individual issuers will be minimized. All of the City's purchased investments in U.S. Agencies were rated as AA+ by Standard and Poor's and Aaa by Moody's. The City's investments are diversified and there are no significant investments in any one organization other than obligations guaranteed by the United States Government.

The City's cash and short-term investments consist of demand deposits, certificates of deposits, and authorized pools approved by the City Council. Operating cash balances from each fund are consolidated in pooled cash and investment accounts. Capital project funds and other funds in excess of short-term operating needs are invested in U.S. Treasury securities, U,S, Government Agency securities, collateralized certificates of deposits, collateralized money market mutual funds and investment pools approved by the City Council. Investments are recorded at fair value and interest earnings are allocated to each fund based on the actual participation of that fund.

Interest Rate Risk

Interest rate risk is minimized according to policy by diversification of investment instruments as well as stated maximum maturity dates. The City's investment policy limits investments to the following maturities:

Portfolio Type	Maximum Average Maturity	Maximum Final Maturity
Consolidated funds	Weighted-average maturity of 365 days	Three Years
Debt service funds	None set	Shall not have a stated final date that exceeds corresponding debt service payment date
Debt reserve funds	None set	For single issue reserve funds shall not have a final maturity date exceeds the corresponding debt service payment or five years
Joe Pool Funds	None set	The shorter of anticipated cash outflows or five years

Investment in Local Government Investment Pools

The City invested in LOGIC Investment Pool. LOGIC is administered by Hilltop Securities Inc. and JPMorgan Chase. LOGIC is rated AAAm by Standards and Poor. It is a local government Investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. The pool's investments are not evidenced by securities that exist in physical or book entry form and, accordingly do not have custodial risk. LOGIC is carried at net asset value.

During the year, the City managed the investments of the EDC and the CDC. The EDC and CDC investments are categorized in the same manner as the City's and consist of the following:

Economic Development Corporation

		Investment Maturities (in Years)		
	Fair Value	Less than 1	1-5	6-10
Corporation-cash	$ 9,158,375	$ 9,158,375	$ -	$ -
Certificates of deposit	5,717,776	5,717,776	-	-
Total cash and investments-corporation	$ 14,876,151	$ 14,876,151	$ -	$ -
Total cash and investments-corporation	$ 14,876,151	$ 14,876,151	$ -	$ -

At year-end, the carrying amount of the EDC's bank balance and cash on hand was $9,158,375, which is included in the City's pooled cash (consolidated) account and was completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

Community Development Corporation

	Fair Value	Investment Maturities (in Years) Less than 1	1-5	6-10
Corporation-cash	$ 2,917,009	$ 2,917,009	$ -	$ -
Certificates of deposit	9,278,583	9,278,583	-	-
Total cash and investments-corporation	$ 12,195,592	$ 12,195,592	$ -	$ -
Total cash and investments-corporation	$ 12,195,592	$ 12,195,592	$ -	$ -

At year-end, the carrying amount of the CDC's bank balance and cash on hand was $2,917,009, which is included in the City's pooled cash (consolidated) account and was completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

Note 3. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	JPL Permanent	Capital Projects	Grant Funds	Water and Sewer	Internal Service	Nonmajor and Other Funds	Total
Receivables									
Taxes/other	$ 3,541,608	$ 601,881	$ -	$ -	$ -	$ -	$ -	$ 345,833	$ 4,489,322
Franchise	592,971	-	-	-	-	-	-	22,182	615,153
Grant	208,946	-	-	-	304,694	-	-	-	513,640
Lease	2,190,999	-	-	-	-	-	-	-	2,190,999
Interest	-	-	19,425	1,320	2,457	2,242	368	2,912	28,724
Charges for services	2,344,677					7,479,437	-	869,718	
Miscellaneous	2,534,560	-	-	285,999	-	2,965	-	6,346	2,829,870
Gross receivables	11,413,761	601,881	19,425	287,319	307,151	7,484,644	368	1,246,991	10,667,708
Less: allowance for uncollectible	(4,270,530)	(171,358)	-	-	-	(1,703,366)	-	(151,961)	(6,297,215)
Net total receivables	$ 7,143,231	$ 430,523	$ 19,425	$ 287,319	$ 307,151	$ 5,781,278	$ 368	$ 1,095,030	$ 4,370,493

The General Fund miscellaneous receivable category primarily consists of billed emergency medical services and court fines and fees. The Water and Sewer Fund accounts receivable balance includes unbilled charges for services rendered of $3,779,622 at September 30, 2025.

Lease Receivable

The City leases a portion of its property to various cell phone companies and businesses who use the space to conduct their operations, the terms of which expire 2026 through 2049. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The City recognized $136,233 in lease revenue and $69,225 in interest revenue during the current fiscal year related to these leases. As of September 30, 2025, the City's receivable for lease payments was $2,190,999. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2025, the balance of the deferred inflow of resources was $2,009,022 .

The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2025:

Year Ending September 30,	Principal	Interest	Total Receipts
2026	$ 117,942	$ 65,612	$ 183,554
2027	95,319	62,547	157,866
2028	100,021	59,502	159,523
2029	106,733	56,255	162,988
2030	110,947	52,851	163,798
2031-2035	666,933	205,710	872,643
2036-2040	492,604	108,845	601,449
2041-2045	290,742	52,348	343,090
2046-2049	209,758	11,914	221,672
Total	$ 2,190,999	$ 675,584	$ 2,866,583

Note 4. Capital, Lease and Subscription Assets

Capital, lease and subscription asset activity for the year ended September 30, 2025 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets					
not being depreciated					
Land	$ 23,120,324	$ -	$ -	$ -	$ 23,120,324
Construction in progress	15,790,540	10,620,760	(511,644)	(17,749,861)	8,149,795
Total capital assets not depreciated	38,910,864	10,620,760	(511,644)	(17,749,861)	31,270,119
Capital, lease and subscription assets					
being depreciated/amortized					
Buildings/facilities	111,543,013	1,007,160	(61,895)	-	112,488,278
Equipment	23,220,403	2,375,510	(1,290,825)	2,833,584	27,138,672
Infrastructure	195,825,176	468,779	-	4,762,301	201,056,256
Land/Park Improvements	-	300,990	-	9,881,976	10,182,966
Water rights	26,284,063	-	-	-	26,284,063
Master studies	606,927	-	-	-	606,927
Lease equipment	696,425	98,389	-	-	794,814
Subscription assets	1,386,868	997,635	(248,097)	-	2,136,406
Total capital, lease and subscription assets being depreciated/amortized	359,562,875	5,248,463	(1,600,817)	17,477,861	380,688,382
Less accumulated depreciation/amortization					
Buildings/facilities	(38,583,011)	(4,049,253)	61,895	-	(42,570,369)
Equipment	(15,207,215)	(2,194,099)	1,290,825	-	(16,110,489)
Infrastructure	(104,721,294)	(5,269,709)	-	-	(109,991,003)
Water rights	(21,185,854)	(489,428)	-	-	(21,675,282)
Master studies	(383,911)	(44,033)	-	-	(427,944)
Lease equipment	(330,892)	(120,080)	-	-	(450,972)
Subscription assets	(751,751)	(654,400)	248,097	-	(1,158,054)
Total accumulated depreciation/amortization	(181,163,928)	(12,821,002)	1,600,817	-	(192,384,113)
Total capital, lease and subscription assets being depreciated/amortized, net	178,398,947	(7,572,539)	-	17,477,861	188,304,269
Governmental activities					
Capital, lease and subscription assets, net	$ 217,309,811	$ 3,048,221	$ (511,644)	$ (272,000)	$ 219,574,388

Internal service fund capital assets of $2,629,913 are included in the governmental activities capital assets.

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Land	$ 371,264	$ -	$ -	$ -	$ 371,264
Construction in progress	6,599,268	754,542	(54,500)	(4,127,783)	3,171,527
Total capital assets not depreciated	6,970,532	754,542	(54,500)	(4,127,783)	3,542,791
Capital, lease and subscription assets being depreciated/amortized					
Buildings/facilities	666,491	-	-	-	666,491
Water systems	63,514,737	-	-	2,235,143	65,749,880
Sewer systems	25,276,337	391,875	-	1,866,542	27,534,754
Equipment	4,865,847	66,716	(122,088)	-	4,810,475
Master studies	470,147	-	(15,878)	298,098	752,367
Lease equipment	15,756	-	-	-	15,756
Subscription assets	346,514	-	-	-	346,514
Total capital, lease and subscription assets being depreciated	95,155,829	458,591	(137,966)	4,399,783	99,876,237
Less accumulated depreciation/amortization for					
Buildings/facilities	(618,126)	(5,344)	-	-	(623,470)
Water systems	(24,370,081)	(1,252,601)	-	-	(25,622,682)
Sewer systems	(12,353,693)	(534,427)	-	-	(12,888,120)
Equipment	(3,641,380)	(395,997)	122,088	-	(3,915,289)
Master studies	(195,978)	(118,400)	15,878	-	(298,500)
Lease equipment	(3,151)	(3,151)	-	-	(6,302)
Subscription assets	(130,702)	(115,505)	-	-	(246,207)
Total accumulated depreciation/amortization	(41,313,111)	(2,425,425)	137,966	-	(43,600,570)
Total capital, lease and subscription assets being depreciated/amortized, net	53,842,718	(1,966,834)	-	4,399,783	56,275,667
Business-type activities Capital, lease and subscription assets, net	$ 60,813,250	$ (1,212,292)	$ (54,500)	$ 272,000	$ 59,818,458

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	$ 1,725,871
Public works	6,426,322
Public safety	1,984,147
Community service	1,644,535
Equipment internal service fund	1,040,127
Total depreciation and amortization expense - governmental activities	$ 12,821,002
Business-type activitities - water and sewer	$ 2,425,425

Discretely Presented Component Units

Activity for the Economic Development Corporation (EDC) for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Contributions to the City	Ending Balance
Capital assets not being depreciated					
Land	$ 3,570,566	$ 940,102	$ (8,553)	$ -	$ 4,502,115
Construction in Progres	-	-	-	-	-
Total capital assets not being depreciated	3,570,566	940,102	(8,553)	-	4,502,115
Capital and lease assets being depreciated/amortized					
Leasehold improvements	116,057	-	-	-	116,057
Lease equipment	26,260	-	-	-	26,260
Total capital and lease assets being depreciated/amortized	142,317	-	-	-	142,317
Less accumulated depreciation/amortization for					
Leasehold improvements	(48,652)	(3,729)			(52,381)
Lease equipment	(5,252)	(5,252)		-	(10,504)
Total accumulated depreciation/amortization	(53,904)	(8,981)	-	-	(62,885)
Total capital and lease assets being depreciated/amortized, net	88,413	(8,981)	-	-	79,432
EDC capital and lease assets, net	$ 3,658,979	$ 931,121	$ (8,553)	$ -	$ 4,581,547

Activity for the Community Development Corporation (CDC) for the year ended September 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Contributions to the City	Ending Balance
Capital assets not being depreciated					
Construction in progress	$ 2,636,189	$ 183,341	$ -	$ (2,576,323)	$ 243,207
Total capital assets not being depreciated	2,636,189	183,341	-	(2,576,323)	243,207
Capital and lease assets being depreciated/amortized					
Building/Facilities	-	244,473	-	(244,473)	-
Equipment	-	34,749	-	(34,749)	-
Lease equipment	26,260	-	-	-	26,260
Total capital and lease assets being depreciated/amortized	26,260	279,222	-	(279,222)	26,260
Less accumulated depreciation/amortization for					
Lease equipment	(5,252)	(5,252)	-	-	(10,504)
Total accumulated depreciation/amortization	(5,252)	(5,252)	-	-	(10,504)
Total capital and lease assets being depreciated/amortized, net	21,008	273,970	-	(279,222)	15,756
CDC capital and lease assets, net	$ 2,657,197	$ 457,311	$ -	$ (2,855,545)	$ 258,963

CDC capital assets are contributed to the City when completed.

Note 5. Interfund Receivables, Payables, and Transfers

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and for cost allocations and other operational costs as determined by the City's annual budget. The transfer activity for the year ended September 30, 2025 is presented in the following schedule:

	Transfers Out				
Transfers in	General Fund	JPL Permanent Fund	Nonmajor Funds	Enterprise Funds	Total
Primary government					
Governmental activities					
General fund	$ -	$ -	$ 625,000	$ 482,134	$ 1,107,134
Debt Service fund	-	-	90,250	-	90,250
Nonmajor governmental funds	393,050	211,086	-	-	604,136
Total	$ 393,050	$ 211,086	$ 715,250	$ 482,134	$ 1,801,520

The transfers from the General Fund to Nonmajor Funds include payment of the City's annual share of debt to support Animal Shelter operations and the transfer of set aside funds for building, street construction, and drainage improvements.

Transfers were made from JPL Permanent Fund to Nonmajor Funds for operating support provided for by the Nonmajor Fund resources.

Transfers were made from Nonmajor Funds to the General Fund for support of services relating to rights-of-way mowing and litter control.

Transfers were made from Nonmajor Funds to the Debt Service Fund for annual debt service and street impact fees.

The transfer from the Enterprise Fund to the General Fund is for information technology support provided for by the General Fund resources.

Interfund Receivable / Payable

In 2019, a "Memorandum of Understanding" was entered into by and between the City of Cedar Hill and the Board of Directors of the Cedar Hill Public Improvement District No. 3, Winding Hollow (PID No. 3) to replace a screening wall adjacent to Joe Wilson Road. The final cost of replacement was $356,689. The cost of the screening wall replacement is to be financed through assessments on all properties within the boundaries of PID No. 3. The assessments shall be collected and annual payments to the City shall be budgeted by the PID No. 3 Board and included in their five (5) year budget. The reimbursement from the assessments shall be made to the City's Street Construction fund in fifteen (15) annual payments which commenced on June 1, 2019 at 0% interest rate. Remaining payments are as follows:

Years	Payment	Total
2026 - 2032	$ 24,500	$ 171,500
2033	18,189	18,189
		$ 189,689

Note 6. Long-Term Obligations

Changes in Long-Term Liabilities

The following is a summary of transactions affecting long-term liabilities for the year ended September 30, 2025:

	Beginning Balance	Increases	Retirements/ Refundings	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds	$ 57,130,000	$ -	$ (6,030,000)	$ 51,100,000	$ 5,430,000
General obligation bonds Direct placement	2,485,000	-	(615,000)	1,870,000	615,000
Certificates of obligation	34,290,000	5,970,000	(1,515,000)	38,745,000	1,820,000
Taxable Note	955,000	6,815,000	(175,000)	7,595,000	3,075,000
Taxable Note Direct borrowing	1,635,000	-	(580,000)	1,055,000	525,000
Total bonds payable	96,495,000	12,785,000	(8,915,000)	100,365,000	11,465,000
Unamortized premiums	6,484,971	520,809	(587,119)	6,418,661	548,735
Arbitrage liabilities	-	1,116,971	-	1,116,971	-
Lease liabilities	370,006	98,389	(138,554)	329,841	140,790
Subscription liabilities	664,894	997,635	(441,588)	1,220,941	513,042
Compensated absences*	6,411,744	-	(1,150,512)	5,261,232	418,422
OPEB liability - Health care	1,012,548	152,947	-	1,165,495	-
OPEB liability - SDBF	873,222	-	(13,864)	859,358	-
Net pension liability	19,186,121	-	(5,783,064)	13,403,057	-
Total governmental long-term liabilities	131,498,506	15,671,751	(17,029,701)	130,140,556	13,085,989

*The change in compensated absences is presented as a net amount, in accordance with GASB 101.

Business-type activities					
General obligation bonds payable	1,635,000	-	(530,000)	1,105,000	555,000
Certificates of obligation bonds payable	19,485,000	3,915,000	(1,180,000)	22,220,000	1,370,000
Unamortized premiums	1,380,179	132,777	(122,821)	1,390,135	114,261
Arbitrage liabilities	-	277,395	-	277,395	-
Lease liabilities	12,759	-	(3,086)	9,673	3,154
Subscription liabilities	192,613	-	(117,140)	75,473	75,293
Compensated absences*	441,253	-	(158,054)	283,199	63,114
OPEB liability - Health care	153,805	23,232	-	177,037	-
OPEB liability - SDBF	101,538	-	(1,613)	99,925	-
Net pension liability	2,230,944	-	(672,449)	1,558,495	-
Total business-type long-term liabilities	25,633,091	4,348,404	(2,785,163)	27,196,332	2,180,822
Total primary government long-term liabilities	$ 157,131,597	$ 20,020,155	$ (19,814,864)	$ 157,336,888	$ 15,266,811

*The change in compensated absences is presented as a net amount, in accordance with GASB 101.

Claims, judgments, compensated absences and net pension liability are generally liquidated by the General Fund. OPEB liabilities are liquidated by the Self-Insurance fund.

In fiscal year 2025, the City issued $9,885,000 of combination tax and revenue certificates of obligation, series 2025 on May 27, 2025, with a premium of $334,840, bearing interest rates ranging from 4.0% to 5.5%. The certificates will be used for (i) construction and improvement of streets, sidewalks, and related improvements, including drainage, landscaping, streetscaping, pedestrian seating, lighting, signage, and traffic signalization incidental thereto, and the acquisition of land and rights-of-way therefor, (ii) constructing and improving the City's Water and Wastewater System, including the acquisition of land therefor, (iii) drainage and flood control improvements, including the acquisition of land and rights-of-way therefor, (iv) park and recreation facilities that are generally accessible to the public and part of the municipal parks system (collectively, the "Project") and (v) paying the cost of professional services rendered in connection with issuing the Certificates.

The City also issued $6,815,000 of tax notes, series 2025, on May 27, 2025, with a premium of 318,746, bearing an interest rate of 5%. The notes will be used for (i) acquiring vehicles and equipment for the fire, police, park and recreation and street departments, (ii) improvements to a City administrative office building housing governmental functions of the City, (iii) renovations and improvements to a City library facility, and (iv) paying the cost of professional services rendered in connection with issuing the Notes..

Authority for Issuance: The Certificates are authorized and issued pursuant to the Texas Constitution, the general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, the City's Home Rule Charter and the Certificate Ordinance passed by the City Council of the City.

Security for Certificates of obligation ("Certificates"): The Certificates constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge of the net revenues of the City's Waterworks and Sewer System, as provided in the Certificate Ordinance.

Tax Rate Limitation: All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to $2.50 per $100 taxable assessed valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of $2.50 per $100 taxable assessed valuation.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Certificates.

Certificate holders' Remedies on event of default: The Ordinance does not specify events of default with respect to the Certificates. If the City defaults in the payment of principal, interest or redemption price, as applicable, on the Certificates when due, or if it fails to make payments into any fund or funds created in the Ordinance, or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Ordinance, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Obligations if there is no other available remedy at law to compel performance of the Certificates or the Ordinance and the City's obligations are not uncertain or disputed. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of the writ of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the holders of the Certificates upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

General Long-Term Liabilities

General obligation bonds, certificates of obligation and the taxable note outstanding at September 30, 2025, consist of the following individual issues:

	Interest Rates	Balance September 30, 2025
General obligation bonds		
Governmental activities		
$24,055,000; 2015 General Obligation Refunding and Imprvm't Bonds, due Feb.15, 2035 *(Split 93% to 7% between governmental and business-type activities)*	.5%-3.51%	6,050,000
$19,990,000; 2016 General Obligation Refunding and Imprvm't Bonds, due Feb.15, 2028 *(Split 82.4% to 17.6% between governmental and business-type activities)*	3.00%-5%	4,600,000
$4,135,000; 2018 General Obligation Bonds, due February 15, 2038	3.00%-3.50%	3,000,000
$8,965,000; 2019 General Obligation Bonds, due February 15, 2039	3.00%-5.00%	7,015,000
$9,610,000; 2020 General Obligation Bonds, due February 15, 2040	2.50%-5.00%	7,925,000
$8,600,000; 2021 General Obligation Bonds-Direct placement, due February 15, 2040	2.50%-5.00%	1,870,000
$8,355,000; 2022 General Obligation Bonds due February 15, 2042	3.00%-5.00%	7,590,000
$15,760,000; 2023 General Obligation Bonds due February 15, 2043	4.00%-5.50%	14,920,000
Total governmental activities - general obligation bonds		$ 52,970,000
Business-type activities		
$24,055,000; 2015 General Obligation Refunding and Imprvm't Bonds, due Feb.15, 2035 *(Split 93% to 7% between governmental and business-type activities)*	.5%-3.51%	205,000
$19,990,000; 2016 General Obligation Refunding and Imprvm't Bonds, due Feb.15, 2028 *(Split 82.4% to 17.6% between governmental and business-type activities)*	3.00%-5%	900,000
Total business-type activities - general obligation bonds		$ 1,105,000
Total general obligation bonds		$ 54,075,000

	Interest Rates	Balance September 30, 2025
Certificate of obligation bonds		
Governmental activities		
$2,065,000; 2013 Certificates of Obligation, due February 15, 2022	2.00%-3.00%	490,000
$1,730,000; 2015 Certificates of Obligation, due February 15, 2029	2.00%-4.00%	370,000
(Split 54% to 46% between governmental and business-type activities)		
$5,620,000; 2018 Certificates of Obligation, due February 15, 2038	3.00%-4.00%	2,415,000
(Split 58.72% to 41.28% between governmental and business-type activities)		
$5,515,00; 2019 Certificates of Obligation, due February 15, 2034	3.00%-5.00%	1,205,000
(Split 32% to 68% between governmental and business-type activities)		
$7,360,000; 2019 Tax Taxable Certificates of Obligation, due February 15, 2044	3.00%-4.00%	6,280,000
$7,720,000; 2020 Certificates of Obligations, due February 15, 2040	2.50%5.00%	3,990,000
(Split 67.33% to 32.67% between governmental and business-type activities)		
$11,210,000; 2022 Certificates of Obligation, due February 15, 2042	3.00%-5.00%	7,510,000
(Split 73.68% to 26.32% between governmental and business-type activities)		
$6,850,000; 2023 Certificates of Obligation, due February 15, 2043	4.00%-5.00%	3,355,000
(Split 51.61% to 48.39% between governmental and business-type activities)		
$10,550,000; 2024 Certificates of Obligation, due February 15, 2044	4.00%-5.00%	$ 7,160,000
(Split 68.96% to 31.04% between governmental and business-type activities)		
$9,885,000; 2025 Certificates of Obligation, due February 15, 2045	4.00%-5.50%	$ 5,970,000
(Split 60.39% to 39.61% between governmental and business-type activities)		
Total governmental activities		$ 38,745,000
Business-type activities		
$6,235,000; 2014 Certificates of Obligation, due February 15, 2029	2.75%-3.75%	2,195,000
$1,730,000; 2015 Certificates of Obligation, due February 15, 2029	2.00%-4.00%	320,000
(Split 54% to 46% between governmenta business-type activities)		
$5,620,000; 2018 Certificates of Obligation, due February 15, 2038	3.00%-4.00%	1,700,000
(Split 58.72% to 41.28% between governmental and business-type activities)		
$5,515,000; 2019 Certificates of Obligation, due February 15, 2039	3.00%-5.00%	2,915,000
(Split 32% to 68% between governmental and business-type activities		
$7,720,000; 2020 Certificates of Obligation, due February 15, 2040	2.50%-5.00%	2,125,000
(Split 67.33% to 32.67% between govermental and business-type activities)		
$11,210,000; 2022 Certificates of Obligation, due February 15, 2042	3.00%-5.00%	2,685,000
(Split 73.68% to 26.32% between governmental and business-type activities)		
$6,850,000; 2023 Certificates of Obligation, due February 15, 2043	4.00%-5.00%	3,145,000
(Split 51.61% to 48.39% between governmental and business-type activities)		
$10,550,000; 2024 Certificates of Obligation, due February 15, 2044	4.00%-5.00%	$ 3,220,000
(Split 68.96% to 31.04% between governmental and business-type activities)		
$9,885,000; 2025 Certificates of Obligation, due February 15, 2045	4.00%-5.50%	$ 3,915,000
(Split 60.39% to 39.61% between governmental and business-type activities)		
Total business-type activities		$ 22,220,000
Total certifcate of obligation bonds		$ 60,965,000
Taxable Notes		
Governmental activities		
$3,345,000; 2021 Taxable Note, due February 15, 2027	1.09%	$ 1,055,000
$1,260,000; 2022 Taxable Note, due February 15, 2029	5.00%	780,000
$6,815,000; 2025 Taxable Note, due February 15, 2032	5.00%	$ 6,815,000
Total taxable notes		$ 8,650,000

Annual requirements to amortize the long-term debt as of September 30, 2025 are as follows:

Year Ending September 30,	Governmental Activities					
	General Obligation Bonds		Certificates of Obligation		Taxable Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	5,430,000	1,975,400	1,820,000	1,613,881	3,075,000	49,398
2027	4,015,000	1,789,500	1,940,000	1,502,554	765,000	40,249
2028	3,455,000	1,651,900	2,025,000	1,421,616	805,000	28,139
2029	2,500,000	1,532,450	1,930,000	1,336,704	845,000	15,500
2030	2,595,000	1,426,875	2,010,000	1,250,079	665,000	5,250
2031-2035	14,775,000	5,324,994	10,070,000	4,972,903	1,440,000	-
2036-2040	13,725,000	2,241,269	11,195,000	2,735,063	-	-
2040-2045	4,605,000	256,900	7,755,000	655,806	-	-
Total	$ 51,100,000	$ 16,199,288	$ 38,745,000	$ 15,488,606	$ 7,595,000	$ 138,536

Year Ending September 30,	Governmental Activities - Direct Placements and Borrowings			
	General Obligation Bonds		Taxable Note	
	Principal	Interest	Principal	Interest
2026	615,000	13,125	525,000	8,638
2027	625,000	7,917	530,000	2,889
2028	630,000	2,646	-	-
Total	$ 1,870,000	$ 23,688	$ 1,055,000	$ 11,527

Year Ending September 30,	Business-Type Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2026	555,000	28,625	1,370,000	918,919
2027	365,000	11,025	1,445,000	840,219
2028	185,000	2,775	1,495,000	783,097
2029	-	-	1,555,000	720,872
2030	-	-	1,035,000	664,144
2031-2035	-	-	5,655,000	2,604,567
2036-2040	-	-	6,245,000	1,156,908
2041-2045	-	-	3,420,000	293,375
Total	$ 1,105,000	$ 42,425	$ 22,220,000	$ 7,982,101

Lease Liabilities

The City has an agreement for cameras, the terms of which expire in 2027, which is recorded in the general fund, High Pointe PID fund, and Waterford Oaks PID, as well as, an agreement for a copier, the terms of which expire in 2028, which is recorded within the general fund, water and sewer fund, community development corporation fund, and economic development fund. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

As of September 30, 2025, the value of the lease liabilities was $329,841 for governmental activities, $9,673 for business-type activities, and $32,244 for discretely presented component units, calculated with an incremental borrowing rate of 3.28 percent and 2.19 percent. The value of the right-to-use lease assets as of September 30, 2024, was $794,814 and had accumulated amortization of $450,972 for governmental activities, $15,756 and had accumulated amortization of $6,302 for business-type activities, and $52,520 and had accumulated amortization of $21,008 for discretely presented component units.

The future principal and interest payments for lease liabilities as of September 30, 2025, are as follows:

	Governmental Activities	
	Lease Liabilities	
Year Ending September 30,	Principal	Interest
2026	140,790	5,807
2027	93,491	3,482
2028	95,560	1,105
Total	$ 329,841	$ 10,394

	Business-Type Activities	
	Lease Liabilities	
Year Ending September 30,	Principal	Interest
2026	3,154	174
2027	3,224	104
2028	3,295	33
Total	$ 9,673	$ 311

	Economic Development Corporation	
	Lease Liabilities	
Year Ending September 30,	Principal	Interest
2026	5,257	290
2027	5,373	174
2028	5,492	55
Total	$ 16,122	$ 519

Year Ending September 30,	Community Development Corporation Lease Liabilities	
	Principal	Interest
2026	5,257	290
2027	5,373	174
2028	5,492	55
Total	$ 16,122	$ 519

Subscription Liabilities

The City has subscription IT arrangements to conduct its operations, the terms of which expire 2026 through 2029. The measurement of the subscription liabilities is based on the present value of subscription payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any subscription incentives payable.

As of September 30, 2025, the value of the subscription liabilities was $1,220,941 for governmental activities and $75,473 for business-type activities. An incremental borrowing rate of 3.28 percent and 2.19 percent was used to measure subscription liabilities. The value of the right-to-use subscription assets as of September 30, 2025, was $2,136,406 and had accumulated amortization of $1,158,054 for governmental activities, and was $346,514 and had accumulated amortization of $246,207 for business-type activities.

The future principal and interest payments for subscription liabilities as of September 30, 2025, are as follows:

Year Ending September 30,	Subscription Liabilities			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	513,042	23,273	75,293	468
2027	237,075	14,899	180	-
2028	244,686	7,287	-	-
2029	226,138	-	-	-
Total	$ 1,220,941	$ 38,172	$ 75,473	$ 468

Component Units

The long-term liabilities of the Community Development Corporation (CDC), a discretely presented component unit, is comprised of the following:

	Beginning Balance	Increases	Retirements	Ending Balance	Due Within One Year
CDC					
Lease liabilities	$ 21,265	$ -	$ (5,143)	$ 16,122	$ 5,257
Compensated absences	77,998	44,112	-	122,110	20,797
Net pension liability	669,283	-	(201,735)	467,548	-
OPEB liability - Health care	89,719	13,553	-	103,272	-
OPEB liability - SDBF	30,461		(483)	29,978	-
Total long-term liabilities	$ 888,726	$ 57,665	$ (207,361)	$ 739,030	$ 26,054

The long-term liabilities of the Economic Development Corporation (EDC), a discretely presented component unit, is comprised of the following:

	Beginning Balance	Increases	Retirements	Ending Balance	Due Within One Year
EDC					
Lease liabilities	$ 21,265	$ -	$ (5,143)	$ 16,122	$ 5,257
Compensated absences	32,161	-	(8,001)	24,160	-
Net pension liability	223,094	-	(67,245)	155,849	-
OPEB liability - Health care	25,634	3,872	-	29,506	-
OPEB liability - SDBF	10,154		(161)	9,993	-
	$ 312,308	$ 3,872	$ (80,550)	$ 235,630	$ 5,257

Cedar Hill Industrial Development Corporation

The Cedar Hill Industrial Development Corporation (CHIDC) was organized in December 1979 by the City under the Development Corporation Act of 1979. CHIDC has the ability to issue tax-exempt revenue bonds for the development of local industry to secure the advantages of balanced and increased employment and an improved economic position, and to provide for a broader tax base. The City Council appoints the Board of Directors of CHIDC. The CHIDC does not have assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenditures, or conduit debt as of September 30, 2025 to be included as a component unit.

Note 7. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and, other claims of various natures. The City purchases commercial liability insurance with the Texas Municipal League Inter- Governmental Risk Pool to indemnify itself in event of loss. For the past three years, settlements have not exceeded scheduled and stated coverage(s).

The City maintains a self-insurance program for health insurance. The City established the self-insurance program effective October 1, 2017. The premiums paid by the City are primarily expenditures/expenses of the operating funds. All premiums are paid into the self-funded health internal service fund to pay claims, claim reserves and administrative costs of the program. Group medical benefits are paid from the Self-Insurance Fund (Internal Service Fund), which has an annually negotiated stop loss provision through United Health Care. The aggregate stop loss was $100,000 per covered individual and coverage is maintained through a private insurance carrier. An independent claims administrator performs all claims handling procedures.

Revenues are recognized from payroll deductions from employee dependent coverage and from City contributions for employee coverage. The liabilities for insurance claims reported in the City's Self-Insurance Fund is based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported (IBNR) claims. The City’s consultant has estimated the unpaid claims liability at $369,277 as of September 30, 2025.

Changes in balances during 2025 were as follows:

	2025
Unpaid claims, beginning of year	$ 322,527
Current year claims (including IBNR) and change in estimate	4,126,379
Claim Payments	(4,079,629)
Unpaid claims, end of year	$ 369,277

Note 8. Commitments and Contingencies

The City has a contract with Trinity River Authority (TRA) whereby the TRA has agreed to provide water, wastewater and disposal system treatment for the benefit of the City and any "additional member City" as defined. The City makes payments monthly, which are based on an estimate of its share of costs. In prior years, TRA has calculated this estimate on an annual basis and made adjustments for over/under charges in the City's next fiscal year. Effective December 1, 1992, TRA changed its billing methodology to adjust its estimate eight months into the City's fiscal year which should reduce over/under charges but may not fully eliminate them. The City's fiscal year for when the adjustments are reported and the City's fiscal year for when the services were provided may differ because of these adjustments and because TRA's fiscal year differs from the City's, as indicated by the schedule below:

Regular monthly expenses for October 1, 2024 to September 30, 2025	$ 9,486,626
TRA adjustment for prior-year settlement	(1,295,578)
Sewage treatment and water system facility expenses	$ 8,191,048

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is engaged in capital improvements as evidenced by its long-term indebtedness. At September 30, 2025, sufficient capital funds were on hand to satisfy all contractual commitments for capital improvements in progress. The City has active construction projects as of September 30, 2025. Total accumulated commitments for ongoing capital project are composed of the following:

Construction Commitments	
Capital	$ 10,967,447
Water and sewer	1,645,800
Community development corporation	25,786
Total	$ 12,639,033

The City periodically is a defendant in various lawsuits. At September 30, 2025, after consultation with the City's attorney, the City is not aware of any pending litigation with a material impact.

The Cedar Hill Economic Development Corporation provides monetary incentives to companies to relocate and provide employment opportunities within the City of Cedar Hill. At September 30, 2025, these commitments totaled $2,933,303 and are only paid when provisions of incentive agreements are fulfilled.

Note 9. Tax Abatements and Economic Incentives

The City enters into economic development agreements designed to promote development, stimulate commercial activity, enhance the property tax base, and increase the economic vitality. These programs rebate property taxes and sales tax. The City's economic development agreements are authorized under the Texas Local Government Code Chapter 311 (Tax Increment Financing Act), Chapter 312 (Property Tax Abatements) and Chapter 380 (Economic Development Programs). Recipients may be eligible to receive economic assistance based upon employment, economic or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, expanding operations, renewing facility leases or bringing targeted development to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has three categories of economic development agreements:

Tax Abatements

Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. At fiscal year-end 2025, there was one active tax abatement agreement under this program which was executed in May 2021. Per the agreement, the tax abatement year begins one tax year after the Certificate of Occupancy has been issued. The Certificate of Occupancy was issued in tax year 2022 which correlates to fiscal year 2023. However, no abatement requests were filed to the State Comptroller. As such, there were no property taxes abated in fiscal year 2025.

General Economic Development

The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or a percentage of property taxes or sales tax received by the City. The City had three active Chapter 380 agreements but had no payments in fiscal year 2025.

The Cedar Hill Economic Development Corporation (CHEDC) enters various agreements to promote and encourage development within the Cedar Hill. These agreements incentivize developers and local business to promote and develop the City under the terms and conditions established by the Cedar Hill Economic Development Corporation. CHEDC had $36,673 in payments for incentives in fiscal year 2025.

Tax Increment Financing

Tax Increment Financing (TIF) is a tool to help finance public improvements and development projects within a defined area. A municipality makes an area eligible for TIF by designating it a Tax Increment Reinvestment Zone (TIRZ). Within the designated zone all of the incremental tax revenue growth flows to an established tax increment fund to help pay for public improvements within the zone. The City has adopted one Tax Increment Reinvestment Zones (TIRZ) in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311. The City's active Tax increment reinvestment zone is TIRZ #1. The goal of the Tax Increment Zone #1 is to continue funding the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions. The purpose for TIRZ#1 is to promote the creation of contained, mixed-use development consisting of major retail, restaurants, residential, hotel and office. The Zone's projected costs are primarily related to roadway, drainage, storm water detention and utilities. The revenue in to TIRZ#1 for fiscal year 2025 was $953,842. There were no active projects funded for the year.

Note 10. Defined Benefit Pension Plan

Plan Description

The City of Cedar Hill, including its discretely presented component units, participates as one of over 930 plans in the defined benefit cash-balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (ACFR) that can be obtained at tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City of Cedar Hill, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the Member's contributions, with interest, and the City-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit, which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service requirement eligibility	20 year to any age, or 5 years at age 60 and above
Updated service credit	100% repeating, transfers
Annuity increase to retirees	50% of CPI, repeating

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	251
Inactive employees entitled to but not yet receiving benefits	229
Active employees	347
Total	827

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City's matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.62% and 16.38% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2025 were $5,039,467 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75% net pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees for Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males a 3-year set-forward for females. In addition a 3.5% and 3.0% minimum mortality rate is applied, for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

The target allocation and best estimates of the expected return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	7.10%
Core Fixed Income	6.00%	5.00%
Non-Core Fixed Income	6.00%	6.80%
Hedge Funds	5.00%	6.40%
Private Equity	13.00%	8.50%
Private Debt	13.00%	8.20%
Real Estate	12.00%	6.70%
Infrastructure	6.00%	6.00%
Other Private Markets	4.00%	7.30%
Total	100%	

Discount Rate and Allocations

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The City's net pension liability, pension expense, and deferred outflows and inflows of resources related to TMRS have been allocated between governmental activities, business-type activities, CDC and EDC using a contribution-based method.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance beginning of year	$ 157,558,496	$ 135,249,054	$ 22,309,442
Changes for the year:			
Service cost	5,408,177	-	5,408,177
Interest	10,455,309	-	10,455,309
Change of benefit terms	(1,805,292)	-	(1,805,292)
Difference between expected and actual experience	172,070	-	172,070
Changes of assumptions	-	-	-
Contributions - employer	-	4,821,870	(4,821,870)
Contributions - employee	-	2,160,894	(2,160,894)
Net investment income	-	14,064,230	(14,064,230)
Benefit payments, including refunds of employee contributions	(7,127,660)	(7,127,660)	-
Administrative expense	-	(90,127)	90,127
Other changes	-	(2,110)	2,110
Net changes	7,102,604	13,827,097	(6,724,493)
Balance end of year	$ 164,661,100	$ 149,076,151	$ 15,584,949

The portion of the changes in net pension liability related to the City, CDC, and EDC, respectively, are as follows:

	City	CDC	EDC	Totals
Balance beginning of year	$ 21,417,065	$ 669,283	$ 223,094	$ 22,309,442
Changes for the year:				
Service cost	5,191,849	162,246	54,082	5,408,177
Interest	10,037,097	313,659	104,553	10,455,309
Change of benefit terms	(1,733,080)	(54,159)	(18,053)	(1,805,292)
Difference between expected and actual experience	165,187	5,162	1,721	172,070
Changes of assumptions	-	-	-	-
Contributions - employer	(4,628,995)	(144,656)	(48,219)	(4,821,870)
Contributions - employee	(2,074,458)	(64,827)	(21,609)	(2,160,894)
Net investment income	(13,501,661)	(421,927)	(140,642)	(14,064,230)
Benefit payments, including refunds of employee contributions	-	-	-	-
Administrative expense	86,522	2,704	901	90,127
Other changes	2,026	63	21	2,110
Net changes	(6,455,513)	(201,735)	(67,245)	(6,724,493)
Balance end of year	$ 14,961,552	$ 467,548	$ 155,849	$ 15,584,949

Proportionate share and net pension liability reported in:		
Primary government	96.00%	$ 14,961,552
Cedar Hill Community Development Corporation	3.00%	467,548
Cedar Hill Economic Development Corporation	1.00%	155,849
Total	100.00%	$ 15,584,949

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, CDC, and EDC calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1 % Increase in Discount Rate (7.75%)
Primary government	$ 38,089,360	$ 14,961,552	$ (3,977,598)
Cedar Hill Community Development Corporation	1,190,293	467,548	(124,300)
Cedar Hill Economic Development Corporation	396,764	155,849	(41,433)
Plan's net pension liability	$ 39,676,417	$ 15,584,949	$ (4,143,331)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the primary government recognized pension expense of $4,073,190. At September 30, 2025, the primary government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 2,058,605	$ -
Changes in actuarial assumptions	-	311,486
Differences between projected and actual investment earnings	-	1,533,264
Contributions subsequent to the measurement date	3,588,127	-
	$ 5,646,732	$ 1,844,750

For the year ended September 30, 2025, the Cedar Hill Community Development Corporation recognized pension expense of $127,287. At September 30, 2025, the primary government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 64,331	$ -
Changes in actuarial assumptions	-	9,734
Differences between projected and actual investment earnings	-	47,914
Contributions subsequent to the measurement date	112,129	-
	$ 176,460	$ 57,648

For the year ended September 30, 2025, the Cedar Hill Economic Development Corporation recognized pension expense of $42,429. At September 30, 2025, the primary government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 21,444	$ -
Changes in actuarial assumptions	-	3,245
Differences between projected and actual investment earnings	-	15,971
Contributions subsequent to the measurement date	37,376	-
	$ 58,820	$ 19,216

For the year ended September 30, 2025, the primary government reported $3,588,127 as deferred outflows of resources related to pensions resulting from primary government contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2026	$ 1,158,120
2027	1,941,072
2028	(1,950,065)
2029	(935,272)
Total	$ 213,855

For the year ended September 30, 2025, the Cedar Hill Community Development Corporation reported $112,129 as deferred outflows of resources related to pensions resulting from Cedar Hill Community Development Corporation contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2026	$ 36,191
2027	60,659
2028	(60,940)
2029	(29,227)
Total	$ 6,683

For the year ended September 30, 2025, the Cedar Hill Economic Development Corporation reported $37,376 as deferred outflows of resources related to pensions resulting from Cedar Hill Economic Development Corporation contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2026	$ 12,064
2027	20,220
2028	(20,313)
2029	(9,743)
Total	$ 2,228

Reserve Police Department Defined Benefit Plan

The City provides pension benefits to its volunteer police reserves upon retirement. The City Council establishes plan provisions, is authorized to amend them and acts as the plan administrator. The plan became effective October 1, 1993. Police reserves do not receive a salary, and therefore, there is no covered payroll related to the plan. Police reserves are eligible to participate in the plan if they are at least 15 years old and provided the City with 192 hours of volunteer service per year as a police reserve. Under the plan, the normal retirement age is 55 with ten years of service required. Service is measured by years of service. The reserve officers are not required to contribute to the plan. The normal retirement pension payable to a retirement participant is $144 per month with a guaranteed minimum of 120 months. Participants are 100% vested with a minimum of ten years of vesting service. A year of vesting is credited for each year during which the participant is credited with 192 hours of service. As of September 30, 2025, the City had no active members of the plan and seven retirees receiving benefits. The plan is a single employer defined benefit plan. The plan does not prepare a separate, audited pension plan report.

Note 11. Other Postemployment Benefit (OPEB) Plans

Retiree Health Care Plan Description

The City, including its discretely presented component units, provides postemployment medical care (OPEB) for employees through a single- employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's group health insurance plans, which cover both active and retired members. The benefit levels and payment rates are approved annually by the City management and the City Council as part of the budget process. Since an irrevocable trust has not been established that meets the criteria of GASB 75, paragraph 4, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Benefits Provided

The City provides postemployment medical and dental care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. To be eligible for coverage, an employee must qualify under all three of the following:

1. The retiree must have been covered for medical benefits under the City Health Plan as an employee immediately prior to termination of employment.
2. The retiree must apply for pension benefits from TMRS in accordance with TMRS requirements and deadlines.
3. The retiree must enroll for retiree health coverage within thirty-one days of the date of termination.

All medical care benefits are provided through the City's health plan. The benefit levels are the same as those afforded to active employees.

As of December 31, 2024, membership consisted of:

Retirees and beneficiaries receiving benefits	4
Active employees	340
Total	344

Premiums – Retiree Health Care

The plan's premium rates are determined annually by City management and approved by the City Council as part of the annual budget. Members receiving medical benefits pay as follows:

	Premiums paid by Employee October 1, 2024 September 30, 2025	
Coverage	**High - Dedubtible Health Plan (HDHP-HSA) Base Plan**	**Exclusive Provider Organization (EPO) Buy-Up Plan**
Employee Only	$ 660	$ 933
Employee & Spouse	1,320	1,640

Current retirees pay to the self-funded health program the blended premium for active and retired participants. Retiree pay rates for fiscal year September 30, 2025 ranged from $933 to $1,640 per month depending on coverage levels selected. In fiscal year September 30, 2025, the total member (retirees) payments were $34,550. The City payment for retirees consists of pay-as-you-go claims in excess of the retiree payments, which totaled $27,608 for the fiscal year ended September 30, 2025.

Total OPEB Liability – Retiree Health Care

The City's total OPEB liability was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions – Retiree Health Care

The City's total OPEB liability as of December 31, 2024 was determined using the following actuarial assumptions:

	Actuarial Assumptions
Actuarial Cost Method	Individual Entry-Age
Discount Rate	4.08% as of December 31, 2024, 3.77% in prior year
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.50% declining to an ultimate rate of 4.25% after 15 years.
Participation Rates	20% of retirees between the ages of 50 and 64 at retirement; 0% for retirees under age 50 at retirement

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate is equal to the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date of December 31, 2024. For the purpose of this valuation, the municipal bond rate is 4.08% based on the daily rate closest to but not later than the measurement date of the Bond Buyer 20-Bond GO Index. The discount rate was 3.77% as of December 31, 2023, the prior measurement date.

Sensitivity of the Total OPEB Liability – Health to Changes in the Discount Rate

The following presents the total OPEB – Health Care liability of the City, CDC, and EDC, calculated using the discount rate of 4.08%, as well as what the City, CDC, and EDC's total OPEB – Health Care liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) or 1 percentage point higher (5.08%):

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
Primary government	$ 1,473,420	$ 1,342,532	$ 1,223,542
Cedar Hill Community Development Corporation	113,340	103,272	94,119
Cedar Hill Economic Development Corporation	32,383	29,506	26,892
Total OPEB Health Care liability	$ 1,619,143	$ 1,475,310	$ 1,344,553

The following presents the total OPEB – Health Care liability of the City, CDC, and EDC, calculated using the healthcare cost trend rate, as well as what the City, CDC, and EDC's total OPEB Health Care liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease in Trend Rate	Trend Rate	1% Increase in Trend Rate
Primary government	$ 1,181,138	$ 1,342,532	$ 1,533,919
Cedar Hill Community Development Corporation	90,857	103,272	117,994
Cedar Hill Economic Development Corporation	25,959	29,506	33,713
Total OPEB Health Care liability	$ 1,297,954	$ 1,475,310	$ 1,685,626

Schedule of Changes in Total OPEB Liability – Health Care

	Total OPEB-Health Care Liability	City	CDC	EDC
Beginning balance	$ 1,281,706	$ 1,166,353	$ 89,719	$ 25,634
Changes for the year:				
Service cost	105,424	95,936	7,380	2,108
Interest (on the total OPEB liability)	49,787	45,306	3,485	996
Differences between expected and actual experience	(28,964)	(26,357)	(2,027)	(579)
Change of Assumptions	94,965	86,418	6,648	1,898
Benefit Payments	(27,608)	(25,124)	(1,933)	(551)
Net changes	193,604	176,179	13,553	3,872
Ending balance	$ 1,475,310	$ 1,342,532	$ 103,272	$ 29,506
Proportionate share of total OPEB liability - Health Care:	100.00%	91.00%	7.00%	2.00%

OPEB Expense and Deferred Outflows/(Inflows) of Resources – Health Care

For the year ended September 30, 2025, OPEB Health Care expense of $104,223 was recognized by the primary government. At September 30, 2025, the total reported deferred outflows of resources and deferred inflows of resources related to OPEB - Health Care from the following sources. See *Note 12* for further detail.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 78,711	$ 430,415
Changes in actuarial assumptions	262,999	245,237
Contributions subsequent to the measurement date	26,448	-
	$ 368,158	$ 675,652

For the year ended September 30, 2025, OPEB Health Care expense of $8,017 was recognized by the Cedar Hill Community Development Corporation. At September 30, 2025, the total reported deferred outflows of resources and deferred inflows of resources related to OPEB - Health Care from the following sources. See *Note 12* for further detail.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 6,055	$ 33,109
Changes in actuarial assumptions	20,231	18,865
Contributions subsequent to the measurement date	2,032	-
	$ 28,318	$ 51,974

For the year ended September 30, 2025, OPEB Health Care expense of $2,291 was recognized by the Cedar Hill Economic Development Corporation. At September 30, 2025, the total reported deferred outflows of resources and deferred inflows of resources related to OPEB - Health Care from the following sources. See *Note 12* for further detail.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,730	$ 9,460
Changes in actuarial assumptions	5,780	5,390
Contributions subsequent to the measurement date	583	-
	$ 8,093	$ 14,850

Of the $368,158 for deferred outflows of resources for the primary government, $26,448 resulted from contributions made by the primary government subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2026. The remainder of the total deferred outflows/inflows of resources, $(333,942) will be recognized in OPEB – Health Care expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2026	$ (37,019)
2027	(39,315)
2028	(42,564)
2029	(33,530)
2030	(42,076)
Thereafter	(139,438)
	$ (333,942)

Of the $28,318 for deferred outflows of resources for the Cedar Hill Community Development Corporation, $2,032 resulted from contributions made by the Cedar Hill Community Development Corporation subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2026. The remainder of the total deferred outflows/inflows of resources, $(25,688) will be recognized in OPEB – Health Care expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2026	$ (2,848)
2027	(3,024)
2028	(3,274)
2029	(2,579)
2030	(3,237)
Thereafter	(10,726)
	$ (25,688)

Of the $8,093 for deferred outflows of resources for the Cedar Hill Economic Development Corporation, $583 resulted from contributions made by the Cedar Hill Economic Development Corporation subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2026. The remainder of the total deferred outflows/inflows of resources, $(7,340) will be recognized in OPEB – Health Care expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2026	$ (814)
2027	(864)
2028	(935)
2029	(737)
2030	(925)
Thereafter	(3,065)
	$ (7,340)

Supplemental Death Benefit Fund Plan (SDBF) Description

The City, including its discretely presented component units, pays to a single-employer defined benefit OPEB plan, the group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program administered by TMRS in which the City elected, by ordinance, to provide group term life insurance coverage to active and retired members. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Benefits Provided

Payments from this fund are similar to group term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculate based on the employee's actual earnings, for the 12-month period preceding the month of death).

The death benefit for retirees is considered an OPEB and is a fixed amount of $7,500. The obligations of this plan are payable only from the SDBF and are not an obligation of, or claim against, the pension trust fund.

Employees Covered by Benefit Terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	180
Inacative employees entitled to, but not yet receiving benefits	58
Active employees	347
Total	585

Actuarial Methods and Assumptions – SDBF

The City's total OPEB liability in the December 31, 2024 valuation was determined using the following actuarial assumptions:

	Actuarial Assumptions
Actuarial Cost Method	Entry Age for Normal
Discount Rate	4.08% as of December 31, 2024 (based on Bond Buyer "20-Bond GO Index") was changed from 3.77% in the prior year.
Inflation	2.50%
Salary Increases	3.60% to 11.85%, including inflation
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

Payments – SDBF

The City payments to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.22% for 2025 and 2024, of which 0.08% represented the retiree-only portion for each year, as a percentage of annual covered payroll. The funding policy of the plan is to assure adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's payments to SDBF for the fiscal years ended September 30, 2025, 2024, 2023, were $71,869, $80,419, and $68,686, respectively, which equaled the required payments each year.

Total OPEB Liability – SDBF

The City's Total OPEB liability (TOL) for SDBF was measured as of December 31, 2024 and was determined by an actuarial valuation as of that same date.

Schedule of Changes in Total OPEB Liability - SDBF

	Total OPEB Liability
Beginning balance	$ 1,015,375
Changes for the year	
Service cost	37,042
Interest (on the total OPEB liability)	38,512
Differences between expected and actual experience	(11,984)
Change of Assumptions	(54,996)
Benefit Payments	(24,695)
Net changes	$ (16,121)
Ending balance	$ 999,254

Proportionate share and total OPEB liability - SDBF reported in:		
Primary government	96.00%	$ 959,283
Cedar Hill Community Development Corporation	3.00%	29,978
Cedar Hill Economic Development Corporation	1.00%	9,993
Total	100.00%	$ 999,254

Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly payments for retirees.

Sensitivity of the Total OPEB Liability – SDBF to Changes in the Discount Rate:

The following presents the total OPEB liability of the City, CDC, and EDC, calculated using the discount rate of 4.08%, as well as what the City, CDC, and EDC's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.08%) or one percentage point higher (5.08%) than the current rate:

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
Primary government	$ 1,145,067	$ 959,283	$ 813,545
Cedar Hill Community Development Corporation	35,783	29,978	25,423
Cedar Hill Economic Development Corporation	11,928	9,993	8,474
Total OPEB SDBF liability	$ 1,192,778	$ 999,254	$ 847,442

OPEB Expense and Related Deferred Outflows and Deferred Inflows of Resources – SDBF

For the year ended September 30, 2025, the primary government recognized OPEB expense - SDBF of $34,641. At September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB – SDBF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 31,088
Changes in actuarial assumptions	109,040	294,787
Contributions subsequent to the measurement date	17,524	-
	$ 126,564	$ 325,875

For the year ended September 30, 2025, the Cedar Hill Community Development Corporation recognized OPEB expense - SDBF of $1,039. At September 30, 2025, the Cedar Hill Community Development Corporation reported deferred outflows and inflows of resources related to OPEB – SDBF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 971
Changes in actuarial assumptions	3,407	9,212
Contributions subsequent to the measurement date	548	-
	$ 3,955	$ 10,183

For the year ended September 30, 2025, the Cedar Hill Economic Development Corporation recognized OPEB expense - SDBF of $346. At September 30, 2025, the Cedar Hill Economic Development Corporation reported deferred outflows and inflows of resources related to OPEB – SDBF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 324
Changes in actuarial assumptions	1,136	3,071
Contributions subsequent to the measurement date	183	-
	$ 1,319	$ 3,395

The primary government reported $17,524 as deferred outflows related to OPEB resulting from primary government contributions subsequent to the measurement date which will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2026	$ (37,638)
2027	(56,741)
2028	(75,678)
2028	(37,946)
Thereafter	(8,832)
	$ (216,835)

The Cedar Hill Community Development Corporation reported $548 as deferred outflows related to OPEB resulting from Cedar Hill Community Development Corporation contributions subsequent to the measurement date which will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2026	$ (1,176)
2027	(1,773)
2028	(2,365)
2028	(1,186)
2029	(276)
	$ (6,776)

The Cedar Hill Economic Development Corporation reported $183 as deferred outflows related to OPEB resulting from Cedar Hill Economic Development Corporation contributions subsequent to the measurement date which will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2026	$ (392)
2027	(591)
2028	(788)
2029	(395)
2030	(93)
	$ (2,259)

Aggregate OPEB Information - City and Discretely Presented Component Units

For the year ended September 30, 2025, the City and its discretely presented component units' aggregate OPEB plans liability is $2,474,564 and the expense is $149,172, with $138,864 of the expense attributable to the primary government. See Note 12 for aggregate deferred outflows and inflows information.

Note 12. OPEB Deferred Outflows and Inflows

OPEB deferred outflows and inflows as of September 30, 2025 are as follows:

Government-Wide Governmental	OPEB - Health	OPEB - SDBF	OPEB - Total
Deferred Outflows of Resources			
Difference between expected and actual experience	$ 68,331	$ -	$ 68,331
Changes in actuarial assumptions	228,318	97,682	326,000
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	22,960	15,698	38,658
Total	$ 319,609	$ 113,380	$ 432,989
Deferred Inflows of Resources			
Difference between expected and actual experience	$ 373,657	$ 27,850	$ 401,507
Changes in actuarial assumptions	212,898	264,080	476,978
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	-	-	-
Total	$ 586,555	$ 291,930	$ 878,485

Business-type activities and Proprietary Funds	OPEB - Health	OPEB - SDBF	OPEB - Total
Deferred Outflows of Resources			
Difference between expected and actual experience	$ 10,380	$ -	$ 10,380
Changes in actuarial assumptions	34,681	11,358	46,039
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	3,488	1,826	5,314
Total	$ 48,549	$ 13,184	$ 61,733
Deferred Inflows of Resources			
Difference between expected and actual experience	$ 56,758	$ 3,238	$ 59,996
Changes in actuarial assumptions	32,339	30,707	63,046
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	-	-	-
Total	$ 89,097	$ 33,945	$ 123,042
EDC			
Deferred Outflows of Resources			
Difference between expected and actual experience	$ 1,730	$ -	$ 1,730
Changes in actuarial assumptions	5,780	1,136	6,916
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	583	183	766
Total	$ 8,093	$ 1,319	$ 9,412
Deferred Inflows of Resources			
Difference between expected and actual experience	$ 9,460	$ 324	$ 9,784
Changes in actuarial assumptions	5,390	3,071	8,461
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	-	-	-
Total	$ 14,850	$ 3,395	$ 18,245

CDC	OPEB - Health	OPEB - SDBF	OPEB - Total
Deferred Outflows of Resources			
Difference between expected and actual experience	$ 6,055	$ -	$ 6,055
Changes in actuarial assumptions	20,231	3,407	23,638
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	2,032	548	2,580
Total	$ 28,318	$ 3,955	$ 32,273
Deferred Inflows of Resources			
Difference between expected and actual experience	$ 33,109	$ 971	$ 34,080
Changes in actuarial assumptions	18,865	9,212	28,077
Difference in projected and actual investment earnings	-	-	-
Employer's contributions after measurement date	-	-	-
Total	$ 51,974	$ 10,183	$ 62,157

Note 13. 457(b) Retirement Plan

The City offers all employees an opportunity to participate in a deferred compensation plan that has been established in accordance with Internal Revenue Code Section 457. This plan is a 457(b) plan and is administered by Mission Square and Nationwide Insurance and Financial Services Company. The Plans provisions and contribution requirements are established and may be amended by plan administrator. Vantage Trust Company is the trustee of the Mission Square plan. Employees may enroll in the plan and/or change their contribution amounts at any time. The City does not contribute to the plan.

Note 14. Southwest Regional Communication Center

The City of Cedar Hill ("City") entered into an annually renewable Interlocal Cooperation agreement ("agreement") with the Cities of DeSoto and Duncanville (participating cities) on August 10, 1999 and said agreement was amended on December 29, 2011 and December 8, 2015. The cooperative agreement established a Regional Public Safety Dispatch and Alarm Monitoring Facility known as the Southwest Regional Communication Center ("SWRCC"). SWRCC provides police, fire and emergency medical service communications to participating cities. SWRCC's Management Committee is comprised of each of the participating cities' City Manager or their designee. During fiscal year 2016, the cooperative agreement was amended as dated above to direct each participating entity to have all E911 emergency communication fees ("E911 fees") deposited to an account styled as the City of DeSoto SWRCC. The City of DeSoto provides the accounting and budgetary services for the SWRCC. The City contributed $1,218,000 to the operations of the Center from budgeted funds as accounted for in the general fund and the crime control and prevention district fund.

The City has a one-third share in the equity of the Center, which is included in the government- wide statement of net position as other assets. At September 30, 2025, the City's investment in the Center is $1,393,998. The financial statements of the Center can be obtained by contacting: City of DeSoto Finance Department, 211 E. Pleasant Run Rd., DeSoto, TX 75115.

Note 15. Regional Animal Control Shelter

The City entered into an Interlocal Cooperation Agreement with the Cities of DeSoto and Duncanville on September 3, 1991 to establish a Regional Animal Control Shelter facility ("the facility"). The facility's Management Committee is comprised of each of the participating cities' City Manager or their designee. The City owns a one-third (1/3) share of the facility and is reflected in capital assets. In January 2008, the City issued, in its name, $2,040,000 of bonds to finance the construction of a new animal control shelter. Combined principal and interest of the obligation totaled $3,064,113. Although, the entire outstanding principal is reflected in the City's financial statements, the City of Duncanville and the City of Desoto are each committed to pay one third of that total debt, or $1,021,371, over twenty years starting in fiscal year 2009. The total outstanding debt service commitment from all three entities as of September 30, 2025 is $272,275.

CEDAR HILL

THE **NATURAL HEART** OF THE METROPLEX

Required Supplementary Information

City of Cedar Hill, Texas
Schedule of Changes in Net Pension Liability and Related Ratios - TMRS Plan (Unaudited)
Last Ten Measurement Periods

	2024	2023	2022	2021
Total Pension Liability				
Service cost	$ 5,408,177	$ 5,098,853	$ 4,604,746	$ 4,506,060
Interest (on the Total Pension Liability)	10,455,309	9,931,597	9,185,884	8,460,752
Changes of benefit terms	(1,805,292)	-	-	-
Differences between expected and actual experiences	172,070	1,194,022	2,403,500	2,801,534
Change of assumptions	-	(575,991)		-
Benefit payments, including refunds of employee contributions	(7,127,660)	(5,350,667)	(5,436,479)	(4,713,530)
Net Change in Total Pension Liability	7,102,604	10,297,814	10,757,651	11,054,816
Total Pension Liability - Beginning	157,558,496	147,260,682	136,503,031	125,448,215
Total Pension Liability - Ending (a)	$ 164,661,100	$ 157,558,496	$ 147,260,682	$ 136,503,031
Plan Fiduciary Net Position				
Contributions - employer	$ 4,821,870	$ 4,457,343	$ 3,881,497	$ 3,771,721
Contributions - employee	2,160,894	2,108,209	1,898,305	1,866,415
Net investment income	14,064,230	13,925,526	(9,444,815)	14,820,850
Benefit payments, including refunds of employee contributions	(7,127,660)	(5,350,667)	(5,436,479)	(4,713,530)
Administrative expense	(90,127)	(88,502)	(81,664)	(68,526)
Other	(2,110)	(618)	97,450	470
Net Change in Plan Fiduciary Net Position	13,827,097	15,051,291	(9,085,706)	15,677,400
Plan Fiduciary Net Position - Beginning	135,249,054	120,197,763	129,283,469	113,606,069
Plan Fiduciary Net Position - Ending (b)	$ 149,076,151	$ 135,249,054	$ 120,197,763	$ 129,283,469
Net Pension Liability - Ending (a) – (b)	$ 15,584,949	$ 22,309,442	$ 27,062,919	$ 7,219,562
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.54%	85.84%	81.62%	94.71%
Covered Payroll	$ 30,868,590	$ 30,117,264	$ 27,118,647	$ 26,663,078
Net Pension Liability as a Percentage of Covered-Employee Payroll	50.49%	74.08%	99.79%	27.08%

2020	2019	2018	2017	2016	2015
$ 4,244,674	$ 3,868,134	$ 3,697,787	$ 3,589,689	$ 3,374,101	$ 3,080,700
7,853,074	7,346,566	6,875,690	6,451,988	5,969,704	5,693,839
-	-	-	-	-	-
1,232,689	(166,047)	6,972	(353,823)	880,524	262,001
-	340,991	-	-	-	765,043
(4,203,456)	(3,944,725)	(3,434,642)	(3,495,009)	(2,879,343)	(2,818,217)
9,126,981	7,444,919	7,145,807	6,192,845	7,344,986	6,983,366
116,321,234	108,876,315	101,730,508	95,537,663	88,192,677	81,209,311
$ 125,448,215	$ 116,321,234	$ 108,876,315	$ 101,730,508	$ 95,537,663	$ 88,192,677
$ 3,480,897	$ 3,179,475	$ 3,092,837	$ 2,943,532	$ 2,549,683	$ 2,530,362
1,760,232	1,623,318	1,550,899	1,510,730	1,416,333	1,346,965
7,950,333	13,919,798	(2,744,021)	11,039,446	4,976,866	107,024
(4,203,456)	(3,944,725)	(3,434,642)	(3,495,009)	(2,879,343)	(2,818,217)
(51,411)	(78,597)	(53,011)	(57,193)	(56,192)	(65,183)
(2,007)	(2,361)	(2,771)	(2,898)	(3,028)	(3,219)
8,934,588	14,696,908	(1,590,709)	11,938,608	6,004,319	1,097,732
104,671,481	89,974,573	91,565,282	79,626,674	73,622,355	72,524,623
$ 113,606,069	$ 104,671,481	$ 89,974,573	$ 91,565,282	$ 79,626,674	$ 73,622,355
$ 11,842,146	$ 11,649,753	$ 18,901,742	$ 10,165,226	$ 15,910,989	$ 14,570,322
90.56%	89.98%	82.64%	90.01%	83.35%	83.48%
$ 25,146,176	$ 23,190,254	$ 22,155,702	$ 21,559,693	$ 20,192,109	$ 19,242,351
47.09%	50.24%	85.31%	47.15%	78.80%	75.72%

City of Cedar Hill, Texas
Schedule of Contributions - TMRS Plan (Unaudited)
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 5,039,467	$ 4,762,478	$ 4,304,497	$ 3,771,721	$ 3,480,897
Contributions in relation to the actuarially determined contribution	(5,039,467)	(4,762,478)	(3,771,721)	(3,480,897)	(3,179,475)
Contributions deficiency (excess)	$ -	$ -	$ 532,776	$ 290,824	$ 301,422
Covered payroll	31,152,673	30,930,400	29,352,573	26,456,948	25,834,657
Contributions as a percentage of covered-payroll	16.18%	15.40%	14.66%	14.26%	13.47%

Notes to Schedule of Contributions

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31st and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	21 years (logest amortization ladder)
Asset valuation method	10 year smoothed market, 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes	Adopted 50% non-retroactive repeating COLA.

City of Cedar Hill, Texas **Exhibit E-2**
Schedule of Contributions - TMRS Plan (Unaudited)
Last Ten Fiscal Years

2020	2019	2018	2017	2016
$ 3,179,475	$ 3,092,837	$ 2,943,532	$ 2,549,683	$ 2,530,362
(3,092,837)	(2,943,532)	(2,549,683)	(2,530,362)	(2,516,536)
$ 86,638	$ 149,305	$ 393,849	$ 19,321	$ 13,826
24,472,699	22,859,264	22,101,804	21,268,592	20,787,053
12.99%	13.53%	13.32%	11.99%	12.17%

City of Cedar Hill, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios - Retiree Health Care
Last Eight Measurement Periods (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	$ 105,424	$ 94,369	$ 142,836	$ 108,358	$ 90,090	$ 68,867	$ 76,713	$ 66,387
Interest (on the total OPEB liability)	49,787	50,382	34,585	38,330	38,311	44,863	42,196	43,520
Differences between expected and actual experience	(28,964)	(13,516)	(552,293)	14,715	140,175	13,279	(171,947)	11,480
Changes of assumptions or other inputs	94,965	(36,118)	(200,452)	(166,913)	285,919	91,629	47,343	61,497
Benefit payments	(27,608)	(20,469)	(51,612)	(45,597)	(34,940)	(55,808)	(56,084)	(54,896)
Net Change in Total OPEB Liability	$ 193,604	$ 74,648	$ (626,936)	$ (51,107)	$ 519,555	$ 162,830	$ (61,779)	$ 127,988
Total OPEB Liability - Beginning	1,281,706	1,207,058	1,833,994	1,885,101	1,365,553	1,202,715	1,264,494	1,136,506
Total OPEB Liability - Ending (a)	$ 1,475,310	$ 1,281,706	$ 1,207,058	$ 1,833,994	$ 1,885,108	$ 1,365,545	$ 1,202,715	$ 1,264,494
Covered-Employee Payroll	$ 30,932,729	$ 29,218,784	$ 27,029,118	$ 26,663,021	$ 25,130,976	$ 22,999,707	$ 22,157,577	$ 21,565,501
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.77%	4.39%	4.47%	6.88%	7.50%	5.94%	5.43%	5.86%

Changes of assumptions reflect the effect of changes in the discount rate each period. The discount rate at the beginning of FYE 2018 was 3.81%

The demographic assumptions were updated to reflect the 2023 TMRS Experience Study in plan year 2023.

The health care trend assumption was modified in plan year 2022.

The dependent coverage assumption was modified in plan year 2021.

The demographic assumptions were updated to reflect the 2019 TMRS Experience Study.

An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Note: GASB Statement No. 75 requires 10 years of data to be provided in this schedule. As of December 30, 2024 (Plan Year), only 8 years are included. Additional years will be added in the future as the information becomes available.

Changes of assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%
2023	3.77%
2024	4.08%

City of Cedar Hill, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios - SDBF
Last Eight Measurement Periods (Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	$ 37,042	$ 33,129	$ 67,797	$ 69,324	$ 55,322	$ 39,423	$ 46,527	$ 38,807
Interest (on the total OPEB liability)	38,512	37,443	25,183	25,488	28,236	30,338	28,270	27,061
Differences between expected and actual experience	(11,984)	(2,339)	(11,104)	(24,726)	(7,745)	(34,373)	(39,771)	-
Changes of assumptions or other inputs	(54,996)	51,224	(487,098)	43,725	176,684	170,497	(63,278)	72,823
Benefit payments	(24,695)	(24,094)	(18,983)	(18,664)	(5,029)	(4,638)	(4,431)	(4,312)
Net Change in Total OPEB Liability	$ (16,121)	$ 95,363	$ (424,205)	$ 95,147	$ 247,468	$ 201,247	$ (32,683)	$ 134,379
Total OPEB Liability - Beginning	1,015,375	920,012	1,344,217	1,249,070	1,001,602	800,355	833,038	698,659
Total OPEB Liability - Ending (a)	$ 999,254	$ 1,015,375	$ 920,012	$ 1,344,217	$ 1,249,070	$ 1,001,602	$ 800,355	$ 833,038
Covered-Employee Payroll	$ 30,868,590	$ 30,117,264	$ 27,118,647	$ 26,663,078	$ 25,146,176	$ 23,190,254	$ 22,155,702	$ 21,559,693
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.24%	3.37%	3.39%	5.04%	4.97%	4.32%	3.61%	3.86%

An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financials report.

Note: GASB Statement No. 75 requires 10 years of data to be provided in this schedule. As of December 30, 2024 (Plan Year), only 8 years are included. Additional years will be added in the future as the information becomes available.

Notes to Schedule:

Changes of assumptions:
Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%
2023	3.77%
2024	4.08%

City of Cedar Hill, Texas
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual - General Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes, penalties and interest	$ 40,773,000	$ 40,773,000	$ 41,159,201	$ 386,201
Franchise fees	3,421,000	3,421,000	3,530,871	109,871
License fees and permits	1,505,400	1,505,400	1,663,855	158,455
Intergovernmental	1,006,200	1,006,200	195,665	(810,535)
Charges for services	1,894,400	1,894,400	2,792,283	897,883
Fines and forfeitures	1,102,000	1,102,000	1,094,458	(7,542)
Investment earnings	535,000	535,000	1,464,943	929,943
Grants and donations	-	-	15,572	15,572
Miscellaneous	134,000	134,000	398,474	264,474
Total revenues	50,371,000	50,371,000	52,315,322	1,944,322
Expenditures				
Current				
General government	7,677,995	7,677,995	7,240,526	437,469
Public works	2,947,170	2,947,170	2,866,213	80,957
Public safety	33,408,207	33,408,207	30,736,625	2,671,582
Community services	8,096,981	8,096,981	7,323,313	773,668
Debt service:				
Principal retirement	-	-	490,705	(490,705)
Interest and fiscal charges	-	-	38,125	(38,125)
Capital outlay	-	-	992,192	(992,192)
Total expenditures	52,130,353	52,130,353	49,687,699	2,442,654
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,759,353)	(1,759,353)	2,627,623	4,386,976
Other Financing Sources (Uses)				
Transfers in	1,768,019	1,768,019	1,107,134	(660,885)
Transfers out	-	-	(393,050)	(393,050)
Leases issued	-	-	34,436	34,436
Subscriptions issued	-	-	875,724	875,724
Sale of capital assets	-	-	70,115	70,115
Total other financing sources (uses)	1,768,019	1,768,019	1,694,359	(73,660)
Net Change in Fund Balances	8,666	8,666	4,321,982	4,313,316
Fund Balances, Beginning of Year	13,993,658	13,993,658	13,993,658	-
Fund Balances, End of Year	$ 14,002,324	$ 14,002,324	$ 18,315,640	$ 4,313,316

Budgetary Information

The City Council follows these procedures in establishing the budgets reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
3. The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.
4. The City Manager has the authority to transfer appropriation balances from one expenditure account to another within a single fund. The City Council, however, must approve any transfer of unencumbered appropriation balances or portions thereof from one fund to another as well as any increases in fund appropriations. All appropriations lapse at the end of the fiscal year.
5. Annual budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets were not adopted for the Grants Fund or any of the capital project funds.
6. The budgetary data presented has been amended from the original budget by the City Council.

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Other Supplementary Information

Nonmajor Governmental Funds
Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for certain purposes.

JPL Opportunity Fund
Accounts for operations and maintenance expenditures, one-time capital related Joe Pool Lake projects, and potential initiatives associated with the JPL Nature Corridor.

Police Forfeiture Fund
Accounts for assets that were seized or confiscated by the State, Federal Government or local authorities and by court order been forfeited to the City through the court as well as Federal seized funds established by the Crime Control Act of 1984.

Hotel Occupancy Fund
Accounts for all hotel occupancy tax collected within the City with the purpose of supporting tourism and special events.

Municipal Court Fund
Accounts for fines and fees collected through the Municipal Court, including the Municipal Court technology fee and security fee.

Library Fund
Accounts for donations and grants made to the Cedar Hill Public Library, which are typically specific in nature and are to be spent for Library programming, equipment or materials.

High Pointe Public Improvement District Fund*
Accounts for assessments charged to property owners of the High Pointe Subdivision.

Waterford Oaks Public Improvement District Fund*
Accounts for assessments charged to property owners of the Waterford Oaks Subdivision.

Winding Hollow Public Improvement District Fund*
Accounts for assessments charged to property owners of the Winding Hollow Subdivision.

Windsor Public Improvement District Fund*
Accounts for assessments charged to property owners of the Windsor Park Subdivision.

Cedar Crest Public Improvement District Fund*
Accounts for assessments charged to property owners of the Cedar Crest Subdivision.

Public, Educational, and Governmental (PEG) Fund
Accounts for fees used to defer the cost of streaming Council meeting videos of all meetings to meet the objective of local government transparency.

Crime Control and Prevention District Fund
Accounts for a 1/8 percentage of sales taxes collected in a Crime Control Prevention District (CCPD), with the purpose of crime control and prevention within the City. The special purpose sales tax was first approved by the voters of the City in a ageneral election held on November 6, 2012. The sales tax was renewed by the voters on November 7, 2017 for a period of 15 years.

*The City's Public Improvement District Funds are presented as one fund in the combining fund financial statements.

Animal Shelter Fund
Accounts for the revenues generated from and expenditures incurred for the operation of the Tri-City Animal Shelter. The cost of operations is shared by two other participating cities.

Regional Fire Training Fund
Accounts for resources from the participating cities in the regional fire training program to support regional training efforts.

Landscape Beautification Fund
Accounts for solid waste collection revenues and expenditures. Revenues are generated from rates and charges established by City Ordinance.

Tax Increment Financing Fund
Accounts for proceeds and expenditures relating to the Cedar Hill tax reinvestment zone, which was established December 13, 2016.

Capital Projects Funds

Park Development Fund
Accounts for donations and park development fees, which are dedicated at the time of development or platting.

Restricted Street Fund
Accounts for street construction and maintenance activities in specified segments of streets.

Economic Development Incentive Fund
Accounts for policy initiatives as established by City Council related to Economic Development programs and initiatives.

Street Construction Fund
Accounts for street maintenance and construction and special projects for the improvements throughout the community.

Downtown City Center Fund
Accounts for projects related to City Center and Downtown.

Building Maintenance Fund
Accounts for building maintenance, including emergency and unforeseen repairs to City buildings.

Drainage Fund
Accounts for drainage maintenance and construction.

Regional Drainage Fund
Accounts for developer contribution revenues to be used for maintenance and upkeep of the Uptown Regional Detention Facility.

Capital Recovery Fund
Accounts for the collection of impact fees to offset debt service costs on impact fee eligible capital projects in accordance with the Capital Improvement Plan adopted as part of the Impact Fee Ordinance.

City of Cedar Hill, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds			
	JPL Opportunity	Police Forfeiture	Hotel Occupancy	Municipal Court
Assets				
Cash, cash equivalents and investments	$ 822,675	$ 356,449	$ 1,609,734	$ 158,950
Receivables (net of allowances for uncollectible)	157	18	35,423	16
Interfund loan receivable	-	-	-	-
Prepaids	-	-	-	-
Total assets	$ 822,832	$ 356,467	$ 1,645,157	$ 158,966
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable	$ -	$ -	$ 69,665	$ -
Accrued liabilities	-	15,194	13,169	-
Interfund loan payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	15,194	82,834	-
Deferred Inflows of Resources				
Unavailable revenue - property tax	-	-	-	-
Unavailable revenue - court fines	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances (Deficit)				
Nonspendable for				
Nonspendable	-	-	-	-
Restricted for				
General government	-	-	-	-
Public works	-	-	-	-
Public safety	-	341,273	-	158,966
Community services	-	-	1,562,323	-
Committed for				
JPL nature corridor	822,832	-	-	-
Infrastructure	-	-	-	-
Facilities	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	822,832	341,273	1,562,323	158,966
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 822,832	$ 356,467	$ 1,645,157	$ 158,966

**Combined fund financial statements. Combining schedule for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.*

Special Revenue Funds							
Library Fund	Public Improvement Districts*	Traffic Safety	PEG	Crime Control and Prevention District	Animal Shelter	Regional Fire Training
$ 50,731	$ 2,410,511	$ 125	$ 678,852	$ 1,103,024	$ 296,702	$ 63,236
6	68,816	-	22,214	246,672	1,258	14
-	-	-	-	-	-	-
-	1,840	-	-	-	-	-
$ 50,737	$ 2,481,167	$ 125	$ 701,066	$ 1,349,696	$ 297,960	$ 63,250
$ -	$ 137,738	$ -	$ -	$ 3,923	$ 26,894	$ -
-	4,366	125	2,516	27,924	25,384	1,608
-	189,689	-	-	-	-	-
44,024	-	-	-	-	-	-
44,024	331,793	125	2,516	31,847	52,278	1,608
-	68,451	-	-	-	-	-
-	-	-	-	5,138	-	-
-	68,451	-	-	5,138	-	-
-	1,840	-	-	-	-	-
-	-	-	698,550	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,312,711	245,682	61,642
6,713	2,149,736	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(70,653)	-	-	-	-	-
6,713	2,080,923	-	698,550	1,312,711	245,682	61,642
$ 50,737	$ 2,481,167	$ 125	$ 701,066	$ 1,349,696	$ 297,960	$ 63,250

**Combined fund financial statements. Combining schedule for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.*

City of Cedar Hill, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds			Capital Projects Funds
	Landscape Beautification	Tax Increment Financing	Total Special Revenue Funds	Park Development
Assets				
Cash, cash equivalents and investments	$ 2,993,278	$ 4,429,505	$ 14,973,772	$ 427,871
Receivables (net of allowances for uncollectible)	718,800	1,571	1,094,965	21
Interfund loan receivable	-	-	-	-
Prepaids	-	-	1,840	-
Total assets	$ 3,712,078	$ 4,431,076	$ 16,070,577	$ 427,892
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable	$ 325,176	$ -	$ 563,396	$ -
Accrued liabilities	46,425	-	136,711	-
Interfund loan payable	-	-	189,689	-
Unearned revenue	-	-	44,024	-
Total liabilities	371,601	-	933,820	-
Deferred Inflows of Resources				
Unavailable revenue - property tax	-	-	68,451	-
Unavailable revenue - court fines	-	-	5,138	-
Total deferred inflows of resources	-	-	73,589	-
Fund Balances (Deficit)				
Nonspendable for				
Nonspendable	-	-	1,840	-
Restricted for				
General government	-	4,431,076	5,129,626	-
Public works	-	-	-	-
Public safety	-	-	2,120,274	-
Community services	3,340,477	-	7,059,249	427,892
Committed for				
JPL nature corridor	-	-	822,832	-
Infrastructure	-	-	-	-
Facilities	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(70,653)	-
Total fund balances (deficit)	3,340,477	4,431,076	15,063,168	427,892
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 3,712,078	$ 4,431,076	$ 16,070,577	$ 427,892

**Combined fund financial statements. Combining schedule for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.*

Capital Projects Funds							
Restricted Street	Economic Development Incentive	Street Construction	Downtown City Center	Building Maintenance	Drainage	Regional Drainage
$ 433,772	$ 336,156	$ 3,220,942	$ 677,585	$ 9,288,691	$ 3,757,943	$ 169,582
9	7	-	14	-	-	-
-	-	189,689	-	-	-	-
-	-	-	-	-	-	-
$ 433,781	$ 336,163	$ 3,410,631	$ 677,599	$ 9,288,691	$ 3,757,943	$ 169,582
$ -	$ -	$ -	$ -	$ 38,728	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	38,728	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	336,163	-	-	-	-	-
433,781	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3,410,631	-	-	3,757,943	169,582
-	-	-	-	9,249,963	-	-
-	-	-	677,599	-	-	-
-	-	-	-	-	-	-
433,781	336,163	3,410,631	677,599	9,249,963	3,757,943	169,582
$ 433,781	$ 336,163	$ 3,410,631	$ 677,599	$ 9,288,691	$ 3,757,943	$ 169,582

**Combined fund financial statements. Combining schedule for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.*

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City of Cedar Hill, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

	Capital Projects Funds		
	Capital Recovery	Total Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash, cash equivalents and investments	$ 10,837,859	$ 29,150,401	$ 44,124,173
Receivables (net of allowances for uncollectible)	14	65	1,095,030
Interfund loan receivable	-	189,689	189,689
Prepaids	-	-	1,840
Total assets	$ 10,837,873	$ 29,340,155	$ 45,410,732
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)			
Liabilities			
Accounts payable	$ -	$ 38,728	$ 602,124
Accrued liabilities	-	-	136,711
Interfund loan payable	-	-	189,689
Unearned revenue	-	-	44,024
Total liabilities	-	38,728	972,548
Deferred Inflows of Resources			
Unavailable revenue - property tax	-	-	68,451
Unavailable revenue - court fines	-	-	5,138
Total deferred inflows of resources	-	-	73,589
Fund Balances (Deficit)			
Nonspendable for			
Nonspendable	-	-	1,840
Restricted for			
General government	-	336,163	5,465,789
Public works	10,837,873	11,271,654	11,271,654
Public safety	-	-	2,120,274
Community services	-	427,892	7,487,141
Committed for			
JPL nature corridor	-	-	822,832
Infrastructure	-	7,338,156	7,338,156
Facilities	-	9,249,963	9,249,963
Assigned	-	677,599	677,599
Unassigned	-	-	(70,653)
Total fund balances (deficit)	10,837,873	29,301,427	44,364,595
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 10,837,873	$ 29,340,155	$ 45,410,732

**Combined fund financial statements. Combining schedule for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.*

City of Cedar Hill, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

	Special Revenue Funds			
	JPL Opportunity	Police Forfeiture	Hotel Occupancy	Municipal Court
Revenues				
Taxes, penalties and interest	$ -	$ -	$ 493,006	$ -
Franchise fees	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	36,198	-	69,746
Investment earnings	53,512	6,238	62,341	4,803
Grants and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	53,512	42,436	555,347	74,549
Expenditures				
Current				
General government	-	-	-	-
Public works	-	-	-	-
Public safety	-	12,444	-	19,837
Community services	-	-	448,593	-
Debt Service				
Principal retirement	-	-	-	9,548
Interest and fiscal charges	-	-	-	211
Capital outlay	-	-	-	-
Total expenditures	-	12,444	448,593	29,596
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,512	29,992	106,754	44,953
Other Financing Sources (Uses)				
Transfers in	211,086	-	-	-
Transfers out	-	-	-	-
Leases issued	-	-	-	-
Subscriptions issued	-	-	-	-
Total other financing sources (uses)	211,086	-	-	-
Net Change in Fund Balances	264,598	29,992	106,754	44,953
Fund Balances (Deficit), Beginning of Year	558,234	311,281	1,455,569	114,013
Fund Balances, End of Year	$ 822,832	$ 341,273	$ 1,562,323	$ 158,966

**Combined fund financial statements. Combining schedule for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.*

Special Revenue Funds							
Library Fund	Public Improvement Districts*	PEG	Crime Control and Prevention District	Animal Shelter	Regional Fire Training	Landscape Beautification
$ -	$ 1,526,796	$ -	$ 1,424,156	$ -	$ -	$ -
-	-	55,697	-	-	-	-
-	23,300	-	-	-	-	-
-	-	-	-	907,891	45,000	3,989,102
-	-	-	70,975	-	-	-
3,017	197,663	-	13,592	5,724	5,370	138,502
10,593	-	-	-	43,319	-	-
-	26,024	-	1,664	663	-	778,871
13,610	1,773,783	55,697	1,510,387	957,597	50,370	4,906,475
-	-	10,850	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,433,499	1,255,190	40,849	-
3,300	1,325,795	-	-	-	-	3,421,661
-	31,893	-	19,689	4,114	-	-
-	607	-	3,635	323	-	-
-	289,651	7,311	121,911	-	-	95,616
3,300	1,647,946	18,161	1,578,734	1,259,627	40,849	3,517,277
10,310	125,837	37,536	(68,347)	(302,030)	9,521	1,389,198
-	-	-	-	378,050	15,000	-
-	-	-	-	(90,250)	-	(625,000)
-	63,953	-	-	-	-	-
-	-	-	121,911	-	-	-
-	63,953	-	121,911	287,800	15,000	(625,000)
10,310	189,790	37,536	53,564	(14,230)	24,521	764,198
(3,597)	1,891,133	661,014	1,259,147	259,912	37,121	2,576,279
$ 6,713	$ 2,080,923	$ 698,550	$ 1,312,711	$ 245,682	$ 61,642	$ 3,340,477

**Combined fund financial statements. Combining schedule for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.*

City of Cedar Hill, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

	Special Revenue Funds		Capital Projects Funds	
	Tax Increment Financing	Total Special Revenue Funds	Park Development	Restricted Street
Revenues				
Taxes, penalties and interest	$ 693,174	$ 4,137,132	$ -	$ -
Franchise fees	-	55,697	-	-
Intergovernmental	-	23,300	-	-
Charges for services	-	4,941,993	-	-
Fines and forfeitures	-	176,919	-	-
Investment earnings	260,668	751,430	7,183	5,995
Grants and donations	-	53,912	-	-
Miscellaneous	-	807,222	42,300	-
Total revenues	953,842	10,947,605	49,483	5,995
Expenditures				
Current				
General government	-	10,850	-	-
Public works	-	-	-	-
Public safety	-	2,761,819	-	-
Community services	-	5,199,349	14,378	-
Debt Service				
Principal retirement	-	65,244	-	-
Interest and fiscal charges	-	4,776	-	-
Capital outlay	-	514,489	-	-
Total expenditures	-	8,556,527	14,378	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	953,842	2,391,078	35,105	5,995
Other Financing Sources (Uses)				
Transfers in	-	604,136	-	-
Transfers out	-	(715,250)	-	-
Leases issued	-	63,953	-	-
Subscriptions issued	-	121,911	-	-
Total other financing sources (uses)	-	74,750	-	-
Net Change in Fund Balances	953,842	2,465,828	35,105	5,995
Fund Balances (Deficit), Beginning of Year	3,477,234	12,597,340	392,787	427,786
Fund Balances, End of Year	$ 4,431,076	$ 15,063,168	$ 427,892	$ 433,781

**Combined fund financial statements. Combining schedule for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.*

Capital Projects Funds						
Economic Development Incentive	Street Construction	Downtown City Center	Building Maintenance	Drainage	Regional Drainage	Capital Recovery
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,646	4,654	9,365	123,244	96,753	1,477	153,353
-	-	-	-	-	-	-
-	40,360	-	-	-	-	1,889,690
4,646	45,014	9,365	123,244	96,753	1,477	2,043,043
-	-	-	-	-	-	-
-	-	-	-	-	12,300	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	323,484	-	-	-
-	-	-	323,484	-	12,300	-
4,646	45,014	9,365	(200,240)	96,753	(10,823)	2,043,043
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,646	45,014	9,365	(200,240)	96,753	(10,823)	2,043,043
331,517	3,365,617	668,234	9,450,203	3,661,190	180,405	8,794,830
$ 336,163	$ 3,410,631	$ 677,599	$ 9,249,963	$ 3,757,943	$ 169,582	$ 10,837,873

**Combined fund financial statements. Combining schedule for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.*

City of Cedar Hill, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

	Total Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues		
Taxes, penalties and interest	$ -	$ 4,137,132
Franchise fees	-	55,697
Intergovernmental	-	23,300
Charges for services	-	4,941,993
Fines and forfeitures	-	176,919
Investment earnings	406,670	1,158,100
Grants and donations	-	53,912
Miscellaneous	1,972,350	2,779,572
Total revenues	2,379,020	13,326,625
Expenditures		
Current		
General government	-	10,850
Public works	12,300	12,300
Public safety	-	2,761,819
Community services	14,378	5,213,727
Debt Service		
Principal retirement	-	65,244
Interest and fiscal charges	-	4,776
Capital outlay	323,484	837,973
Total expenditures	350,162	8,906,689
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,028,858	4,419,936
Other Financing Sources (Uses)		
Transfers in	-	604,136
Transfers out	-	(715,250)
Leases issued	-	63,953
Subscriptions issued	-	121,911
Total other financing sources (uses)	-	74,750
Net Change in Fund Balances	2,028,858	4,494,686
Fund Balances (Deficit), Beginning of Year	27,272,569	39,869,909
Fund Balances, End of Year	$ 29,301,427	$ 44,364,595

**Combined fund financial statements. Combining schedule for the Public Improvement Districts are presented immediately following the combining statements of nonmajor governmental funds.*

City of Cedar Hill, Texas
Combining Balance Sheet
Public Improvement Districts
September 30, 2025

	Public Improvement Districts					
	High Pointe PID	Waterford Oaks PID	Winding Hollow PID	Windsor PID	Cedar Crest PID	Total Public Improvement Districts
Assets						
Cash, cash equivalents and investments	$ 1,041,796	$ 584,300	$ 120,455	$ 267,225	$ 396,735	$ 2,410,511
Receivables (net, where applicable, of allowances for uncollectibles)	47,680	15,899	2,789	1,336	1,112	68,816
Prepaids	1,840	-	-	-	-	1,840
Total assets	$ 1,091,316	$ 600,199	$ 123,244	$ 268,561	$ 397,847	$ 2,481,167
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)						
Liabilities						
Accounts payable	$ 123,426	$ 3,199	$ 1,410	$ 1,035	$ 8,668	$ 137,738
Accrued expenses	1,840	600	38	189	1,699	4,366
Interfund loan payable	-	-	189,689	-	-	189,689
Total liabilities	125,266	3,799	191,137	1,224	10,367	331,793
Deferred Inflows of Resources						
Unavailable revenue - property tax	47,523	15,802	2,760	1,322	1,044	68,451
Total deferred inflows of resources	47,523	15,802	2,760	1,322	1,044	68,451
Fund Balances (Deficit)						
Nonspendable	1,840					1,840
Restricted for Community services	916,687	580,598	-	266,015	386,436	2,149,736
Unassigned	-	-	(70,653)	-	-	(70,653)
Total fund balances (deficit)	918,527	580,598	(70,653)	266,015	386,436	2,080,923
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 1,091,316	$ 600,199	$ 123,244	$ 268,561	$ 397,847	$ 2,481,167

City of Cedar Hill, Texas
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Public Improvement Districts
For the Year Ended September 30, 2025

	Public Improvement Districts					
	High Pointe PID	Waterford Oaks PID	Winding Hollow PID	Windsor PID	Cedar Crest PID	Total Public Improvement Districts
Revenues						
Taxes	$ 834,042	$ 269,165	$ 80,127	$ 155,810	$ 187,652	$ 1,526,796
Intergovernmental	20,000	3,300	-	-	-	23,300
Investment earnings	104,933	39,581	11,410	14,091	27,648	197,663
Miscellaneous	26,024	-	-	-	-	26,024
Total revenues	984,999	312,046	91,537	169,901	215,300	1,773,783
Expenditures						
Current						
Community services	899,772	157,262	63,267	102,095	103,399	1,325,795
Principal retirement	17,173	14,720	-	-	-	31,893
Interest	327	280	-	-	-	607
Capital outlay	84,386	143,692	-	61,573	-	289,651
Total expenditures	1,001,658	315,954	63,267	163,668	103,399	1,647,946
Excess (Deficiency) of Revenues Over Expenditures	(16,659)	(3,908)	28,270	6,233	111,901	125,837
Other Financing Sources (Uses)						
Leases issued	34,436	29,517	-	-	-	63,953
Total other financing sources (Uses)	34,436	29,517	-	-	-	63,953
Changes in Fund Balance (Deficit)	17,777	25,609	28,270	6,233	111,901	189,790
Fund Balances (Deficit), Beginning of Year	900,750	554,989	(98,923)	259,782	274,535	1,891,133
Fund Balances (Deficit), End of Year	$ 918,527	$ 580,598	$ (70,653)	$ 266,015	$ 386,436	$ 2,080,923

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes, penalties and interest	$ 12,136,894	$ 12,136,894	$ 12,112,565	$ (24,329)
Intergovernmental	2,109,769	2,109,769	2,109,769	-
Investment earnings	85,000	85,000	19,610	(65,390)
Total revenues	14,331,663	14,331,663	14,241,944	(89,719)
Expenditures				
General government	-	-	4,888	(4,888)
Debt service				
Principal retirement	9,901,472	9,901,472	8,915,000	986,472
Interest and fiscal charges	4,378,020	4,378,020	3,767,018	611,002
Total expenditures	14,279,492	14,279,492	12,686,906	1,592,586
Excess (Deficiency) of Revenues Over (Under) Expenditures	52,171	52,171	1,555,038	1,502,867
Other Financing Sources (Uses)				
Transfers in	90,250	90,250	90,250	-
Total other financing sources (uses)	90,250	90,250	90,250	-
Net Change in Fund Balances	142,421	142,421	1,645,288	1,502,867
Fund Balances, Beginning of Year	2,408,086	2,408,086	2,408,086	-
Fund Balances, End of Year	$ 2,550,507	$ 2,550,507	$ 4,053,374	$ 1,502,867

City of Cedar Hill, Texas
Budgetary Comparison Schedule
JPL Opportunity
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	$ 18,050	$ 18,050	$ 53,512	$ 35,462
Total revenues	18,050	18,050	53,512	35,462
Other Financing Sources (Uses)				
Transfers in	211,086	211,086	211,086	-
Total other financing sources (uses)	211,086	211,086	211,086	-
Net Change in Fund Balances (Deficit)	229,136	229,136	264,598	35,462
Fund Balances (Deficit), Beginning of Year	558,234	558,234	558,234	-
Fund Balances (Deficit), End of Year	$ 787,370	$ 787,370	$ 822,832	$ 35,462

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Police Forfeiture Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	$ 26,000	$ 26,000	$ 36,198	$ 10,198
Investment earnings	5,000	5,000	6,238	1,238
Total revenues	31,000	31,000	42,436	11,436
Expenditures				
Public safety	52,490	52,490	12,444	40,046
Total expenditures	52,490	52,490	12,444	40,046
Net Change in Fund Balances (Deficit)	(21,490)	(21,490)	29,992	51,482
Fund Balances (Deficit), Beginning of Year	311,281	311,281	311,281	-
Fund Balances (Deficit), End of Year	$ 289,791	$ 289,791	$ 341,273	$ 51,482

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Hotel Occupancy Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes, penalties and interest	$ 525,000	$ 525,000	$ 493,006	$ (31,994)
Investment earnings	33,000	33,000	62,341	29,341
Total revenues	558,000	558,000	555,347	(2,653)
Expenditures				
Community services	631,713	631,713	448,593	183,120
Total expenditures	631,713	631,713	448,593	183,120
Net Change in Fund Balances (Deficit)	(73,713)	(73,713)	106,754	180,467
Fund Balances (Deficit), Beginning of Year	1,455,569	1,455,569	1,455,569	-
Fund Balances (Deficit), End of Year	$ 1,381,856	$ 1,381,856	$ 1,562,323	$ 180,467

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Municipal Court Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fines and forfeitures	$ 46,500	$ 46,500	$ 69,746	$ 23,246
Investment earnings	1,500	1,500	4,803	3,303
Total revenues	48,000	48,000	74,549	26,549
Expenditures				
Public safety	25,155	25,155	19,837	5,318
Principal retirement	-	-	9,548	(9,548)
Interest and fiscal charges	-	-	211	(211)
Total expenditures	25,155	25,155	29,596	(4,441)
Net Change in Fund Balances (Deficit)	22,845	22,845	44,953	22,108
Fund Balances (Deficit), Beginning of Year	114,013	114,013	114,013	-
Fund Balances (Deficit), End of Year	$ 136,858	$ 136,858	$ 158,966	$ 22,108

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Library Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 5,400	$ 5,400	$ -	$ (5,400)
Investment earnings	300	300	3,017	2,717
Grants and donations	12,500	12,500	10,593	(1,907)
Total revenues	18,200	18,200	13,610	(4,590)
Expenditures				
Community services	-	-	3,300	(3,300)
Total expenditures	-	-	3,300	(3,300)
Net Change in Fund Balances (Deficit)	18,200	18,200	10,310	(7,890)
Fund Balances (Deficit), Beginning of Year	(3,597)	(3,597)	(3,597)	-
Fund Balances (Deficit), End of Year	$ 14,603	$ 14,603	$ 6,713	$ (7,890)

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Public Improvement Districts
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes, penalties and interest	$ 1,425,845	$ 1,425,845	$ 1,526,796	$ 100,951
Intergovernmental	-	-	23,300	23,300
Investment earnings	41,000	41,000	197,663	156,663
Miscellaneous	26,300	26,300	26,024	(276)
Total revenues	1,493,145	1,493,145	1,773,783	280,638
Expenditures				
Community services	1,211,980	1,211,980	1,325,795	(113,815)
Principal retirement	-	-	31,893	(31,893)
Interest and fiscal charges	-	-	607	(607)
Capital outlay	717,000	717,000	289,651	427,349
Total expenditures	1,928,980	1,928,980	1,647,946	281,034
Excess (Deficiency) of Revenues Over (Under) Expenditures	(435,835)	(435,835)	125,837	561,672
Other Financing Sources (Uses)				
Leases issued	-	-	63,953	63,953
Total other financing sources (uses)	-	-	63,953	63,953
Net Change in Fund Balances (Deficit)	(435,835)	(435,835)	189,790	625,625
Fund Balances (Deficit), Beginning of Year	1,891,133	1,891,133	1,891,133	-
Fund Balances (Deficit), End of Year	$ 1,455,298	$ 1,455,298	$ 2,080,923	$ 625,625

City of Cedar Hill, Texas
Budgetary Comparison Schedule
PEG
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Franchise fees	$ 80,000	$ 80,000	$ 55,697	$ (24,303)
Investment earnings	26,000	26,000	-	(26,000)
Total revenues	106,000	106,000	55,697	(50,303)
Expenditures				
General government	-	-	10,850	(10,850)
Capital outlay	200,000	200,000	7,311	192,689
Total expenditures	200,000	200,000	18,161	181,839
Net Change in Fund Balances (Deficit)	(94,000)	(94,000)	37,536	131,536
Fund Balances (Deficit), Beginning of Year	661,014	661,014	661,014	-
Fund Balances (Deficit), End of Year	$ 567,014	$ 567,014	$ 698,550	$ 131,536

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Crime Control and Prevention District
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes, penalties and interest	$ 1,360,000	$ 1,360,000	$ 1,424,156	$ 64,156
Fines and forfeitures	50,000	50,000	70,975	20,975
Investment earnings	20,000	20,000	13,592	(6,408)
Miscellaneous	-	-	1,664	1,664
Total revenues	1,430,000	1,430,000	1,510,387	80,387
Expenditures				
Public safety	1,665,929	1,665,929	1,433,499	232,430
Principal retirement	-	-	19,689	(19,689)
Interest and fiscal charges	-	-	3,635	(3,635)
Capital outlay	-	-	121,911	(121,911)
Total expenditures	1,665,929	1,665,929	1,578,734	87,195
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,929)	(235,929)	(68,347)	167,582
Other Financing Sources (Uses)				
Subscriptions issued	-	-	121,911	121,911
Total other financing sources (uses)	-	-	121,911	121,911
Net Change in Fund Balances (Deficit)	(235,929)	(235,929)	53,564	289,493
Fund Balances (Deficit), Beginning of Year	1,259,147	1,259,147	1,259,147	-
Fund Balances (Deficit), End of Year	$ 1,023,218	$ 1,023,218	$ 1,312,711	$ 289,493

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Animal Shelter Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ 1,224,400	$ 1,224,400	$ -	$ (1,224,400)
Charges for services	73,050	73,050	907,891	834,841
Investment earnings	6,000	6,000	5,724	(276)
Grants and donations	45,000	45,000	43,319	(1,681)
Miscellaneous	-	-	663	663
Total revenues	1,348,450	1,348,450	957,597	(390,853)
Expenditures				
Public safety	1,301,601	1,301,601	1,255,190	46,411
Principal retirement	-	-	4,114	(4,114)
Interest and fiscal charges	-	-	323	(323)
Total expenditures	1,301,601	1,301,601	1,259,627	41,974
Excess (Deficiency) of Revenues Over (Under) Expenditures	46,849	46,849	(302,030)	(348,879)
Other Financing Sources (Uses)				
Transfers in	-	-	378,050	378,050
Transfers out	(90,250)	(90,250)	(90,250)	-
Total other financing sources (uses)	(90,250)	(90,250)	287,800	378,050
Net Change in Fund Balances (Deficit)	(43,401)	(43,401)	(14,230)	29,171
Fund Balances (Deficit), Beginning of Year	259,912	259,912	259,912	-
Fund Balances (Deficit), End of Year	$ 216,511	$ 216,511	$ 245,682	$ 29,171

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Regional Fire Training Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 60,000	$ 60,000	$ 45,000	$ (15,000)
Investment earnings	300	300	5,370	5,070
Total revenues	60,300	60,300	50,370	(9,930)
Expenditures				
Public safety	60,000	60,000	40,849	19,151
Total expenditures	60,000	60,000	40,849	19,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	300	300	9,521	9,221
Other Financing Sources (Uses)				
Transfers in	-	-	15,000	15,000
Total other financing sources (uses)	-	-	15,000	15,000
Net Change in Fund Balances (Deficit)	300	300	24,521	24,221
Fund Balances (Deficit), Beginning of Year	37,121	37,121	37,121	-
Fund Balances (Deficit), End of Year	$ 37,421	$ 37,421	$ 61,642	$ 24,221

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Landscape Beautification Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	$ 3,565,000	$ 3,565,000	$ 3,989,102	$ 424,102
Investment earnings	60,000	60,000	138,502	78,502
Miscellaneous	750,000	750,000	778,871	28,871
Total revenues	4,375,000	4,375,000	4,906,475	531,475
Expenditures				
Community services	3,764,893	3,764,893	3,421,661	343,232
Capital outlay	-	-	95,616	(95,616)
Total expenditures	3,764,893	3,764,893	3,517,277	247,616
Excess (Deficiency) of Revenues Over (Under) Expenditures	610,107	610,107	1,389,198	779,091
Other Financing Sources (Uses)				
Transfers out	(250,000)	(250,000)	(625,000)	(375,000)
Total other financing sources (uses)	(250,000)	(250,000)	(625,000)	(375,000)
Net Change in Fund Balances (Deficit)	360,107	360,107	764,198	404,091
Fund Balances (Deficit), Beginning of Year	2,576,279	2,576,279	2,576,279	-
Fund Balances (Deficit), End of Year	$ 2,936,386	$ 2,936,386	$ 3,340,477	$ 404,091

City of Cedar Hill, Texas
Budgetary Comparison Schedule
Tax Increment Financing
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes, penalties and interest	$ 978,529	$ 978,529	$ 693,174	$ (285,355)
Investment earnings	30,000	30,000	260,668	230,668
Total revenues	1,008,529	1,008,529	953,842	(54,687)
Net Change in Fund Balances (Deficit)	1,008,529	1,008,529	953,842	(54,687)
Fund Balances (Deficit), Beginning of Year	3,477,234	3,477,234	3,477,234	-
Fund Balances (Deficit), End of Year	$ 4,485,763	$ 4,485,763	$ 4,431,076	$ (54,687)

City of Cedar Hill, Texas
Budgetary Comparison Schedule
JPL Permanent Fund
For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Investment earnings	$ 501,000	$ 501,000	$ 1,026,090	$ 525,090
Total revenues	501,000	501,000	1,026,090	525,090
Other Financing Sources (Uses)				
Transfers out	(211,086)	(211,086)	(211,086)	-
Total other financing sources (uses)	(211,086)	(211,086)	(211,086)	-
Net Change in Fund Balances (Deficit)	289,914	289,914	815,004	525,090
Fund Balances (Deficit), Beginning of Year	21,122,352	21,122,352	21,122,352	-
Fund Balances (Deficit), End of Year	$ 21,412,266	$ 21,412,266	$ 21,937,356	$ 525,090

City of Cedar Hill, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2025

	Equipment Fund	Health Insurance Fund	Total
Assets			
Current assets			
Cash and cash equivalents	$ 3,611,489	$ 2,561,078	$ 6,172,567
Interest	368	-	368
Prepaid expenses	55,300	-	55,300
Total current assets	3,667,157	2,561,078	6,228,235
Noncurrent assets			
Capital, lease and subscription assets, net	2,629,913	-	2,629,913
Total noncurrent assets	2,629,913	-	2,629,913
Total assets	6,297,070	2,561,078	8,858,148
Liabilities			
Current liabilities			
Unpaid claims liabilities	-	369,277	369,277
Unearned revenue	-	250	250
Total current liabilities	-	369,527	369,527
Total liabilities	-	369,527	369,527
Net Position			
Net investment in capital assets	2,629,913	-	2,629,913
Unrestricted	3,667,157	2,191,551	5,858,708
Total net position	$ 6,297,070	$ 2,191,551	$ 8,488,621

City of Cedar Hill, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2025

	Equipment Fund	Health Insurance Fund	Total
Operating Revenues			
City and employee contributions	$ -	$ 5,195,488	$ 5,195,488
Miscellaneous revenue	1,188,470	157,002	1,345,472
Total operating revenues	1,188,470	5,352,490	6,540,960
Operating Expenses			
Depreciation and amortization	1,040,127	-	1,040,127
Materials and supplies	42,643	-	42,643
Claims paid and change in estimate	-	4,126,379	4,126,379
Administrative and fiscal services	-	1,194,989	1,194,989
Miscellaneous expense	-	119,289	119,289
Total operating expenses	1,082,770	5,440,657	6,523,427
Operating Income (Loss)	105,700	(88,167)	17,533
Nonoperating Revenues (Expenses)			
Investment income	196,718	1,347	198,065
Gain (loss) on retirement of capital assets	21,925	-	21,925
Total nonoperating revenues (expenses)	218,643	1,347	219,990
Change in Net Position	324,343	(86,820)	237,523
Net Position, Beginning of Year	5,972,727	2,278,371	8,251,098
Net Position, End of Year	$ 6,297,070	$ 2,191,551	$ 8,488,621

City of Cedar Hill, Texas
Internal Services Fund
Combining Statement of Cash Flows
For the Year Ended September 30, 2025

	Equipment Fund	Health Insurance Fund	Total
Cash Flows from Operating Activities			
Cash received from interfund charges for services	$ 555,176	$ -	$ 555,176
Cash received from city and employee contributions	-	5,195,488	5,195,488
Cash received from the wellness program	-	190,035	190,035
Cash paid to suppliers	(42,643)	-	(42,643)
Cash payments for claims	-	(4,259,144)	(4,259,144)
Cash payments for administrative and fiscal services	-	(1,314,278)	(1,314,278)
Net cash provided (used for) by operating activities	512,533	(187,899)	324,634
Cash Flows from Capital and Related Financing Activities			
Acquisition and construction of capital assets	(121,489)	-	(121,489)
Proceeds from sales of assets	21,925	-	21,925
Net cash (used for) capital and related financing activities	(99,564)	-	(99,564)
Cash Flows from Investing Activities			
Proceeds from sales and maturities of investments	126,360	-	126,360
Interest received	196,718	1,347	198,065
Net cash provided by investing activities	323,078	1,347	324,425
Increase (Decrease) in Cash and Cash Equivalents	736,047	(186,552)	549,495
Cash and Cash Equivalents, Beginning of Year	2,875,442	2,747,630	5,623,072
Cash and Cash Equivalents, End of Year	$ 3,611,489	$ 2,561,078	$ 6,172,567
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities			
Operating income (loss)	$ 105,700	$ (88,167)	$ 17,533
Depreciation and amortization	1,040,127	-	1,040,127
Changes in operating assets and liabilities			
Decrease (increase) in receivables	(368)	33,033	32,665
Increase (decrease) in accounts payable	(632,926)	(179,515)	(812,441)
Increase (decrease) in claims liabilities	-	46,750	46,750
Net cash provided by (used for) operating activities	$ 512,533	$ (187,899)	$ 324,634

City of Cedar Hill, Texas
Balance Sheet
Component Units
September 30, 2025

	Community Development Corporation	Economic Development Corporation
Assets		
Cash, cash equivalents and investments	$ 12,195,592	$ 14,876,151
Receivables		
Taxes	971,210	728,408
Interest	-	1,551
Miscellaneous	137,361	-
Prepaids	1,246	6,200
Total assets	$ 13,305,409	$ 15,612,310
Liabilities		
Accounts payable	$ 155,938	$ 32,217
Accrued liabilities	121,047	24,390
Retainage payable	39,279	-
Unearned revenue	144,963	-
Total liabilities	461,227	56,607
Deferred Inflows of Resources		
Total deferred inflows of resources	-	-
Fund Balances		
Nonspendable	1,246	6,200
Restricted	12,842,936	15,549,503
Total fund balances	12,844,182	15,555,703
Total liabilities, deferred inflows and fund balances	$ 13,305,409	$ 15,612,310

Cedar Hill Community Development Corporation
(A Component of the City of Cedar Hill, Texas)
Reconciliation of the Balance Sheet to
the Statement of Net Position
September 30, 2025

Total Fund Balance	$	12,844,182
Capital and lease assets used in governmental activities are not financial resources and are therefore not reported in the funds.		258,963
Deferred outflows related to pension and OPEB liabilities are not recognized until future periods and therefore are not reported in the funds.		208,733
Deferred inflows related to pension and OPEB liabilities are not recognized until future periods and therefore are not reported in the funds.		(119,805)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of		
Compensated absences		(122,110)
Lease liability		(16,122)
Net pension liability		(467,548)
OPEB liability		(133,250)
Total Net Position of Community Development Corporation	$	12,453,043

Cedar Hill Economic Development Corporation
(A Component of the City of Cedar Hill, Texas)
Reconciliation of the Balance Sheet to
the Statement of Net Position
As of September 30, 2025

Total Fund Balance	$	15,555,703
Capital and lease assets used in governmental activities are not financial resources and are therefore not reported in the funds.		4,581,547
Deferred outflows related to pension and OPEB liabilities are not recognized until future periods and therefore are not reported in the funds.		68,232
Deferred inflows related to pension and OPEB liabilities are not recognized until future periods and therefore are not reported in the funds.		(37,461)
Long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of		
Compensated absences		(24,160)
Lease liability		(16,122)
Net pension liability		(155,849)
OPEB liability		(39,499)
Total Net Position of Economic Development Corporation	$	19,932,391

City of Cedar Hill, Texas
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Units
For the Year Ended September 30, 2025

	Community Development Corporation	Economic Development Corporation
Revenues		
Taxes	$ 5,710,304	$ 4,282,727
Charges for services	436,893	-
Investment earnings, net	308,648	951,452
Grants and donations	76,011	-
Miscellaneous	39,617	2,508
Total revenues	6,571,473	5,236,687
Expenditures		
Community services	4,594,896	2,965,481
Debt Service		
Principal retirement	5,143	5,143
Interest and fiscal charges	186,048	84,529
Capital outlay	462,563	940,102
Total expenditures	5,248,650	3,995,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,322,823	1,241,432
Other Financing Sources (Uses)		
Sale of capital assets	-	303,484
Total other financing sources (uses)	-	303,484
Change in Fund Balances	1,322,823	1,544,916
Fund Balances, Beginning of Year	11,521,359	14,010,787
Fund Balances, End of Year	$ 12,844,182	$ 15,555,703

Cedar Hill Community Development Corporation
(A Component of the City of Cedar Hill, Texas)
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance
to the Statement of Activities
For the Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because		
Net Change in Fund Balances	$	1,322,823
Change in revenues not considered available at the fund level.		(76,011)
Capital and lease assets used in governmental activities are not financial resources; therefore, are not reported as assets in fund financial statements. Capital and lease assets are reported in the government-wide financial statements.		462,563
Depreciation/amortization expense on capital and lease assets is reported in the government-wide statements of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in the governmental funds.		(5,252)
The net effect of various transactions involving capital and lease assets (i.e. sales and contributions to the City) is to decrease net position.		(2,855,545)
The issuance of long-term debt (e.g. bonds, leases, subscription liabilities) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Repayment of principal on leases		5,143
Current year changes in certain long-term liabilities do require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Net Pension liability and related deferred outflows and inflows of resources		23,903
Total OPEB liability and related deferred outflows and inflows of resources		(6,422)
Compensated absences liability		(44,112)
Change in Net Position of Community Development Corporation	$	(1,172,910)

Cedar Hill Economic Development Corporation
(A Component of the City of Cedar Hill, Texas)
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance
to the Statement of Activities
For the Year Ended September 30, 2025

Net Change in Fund Balances	$	1,544,916
This amount is the amount of governmental activities capital and lease asset additions for the current period.		940,102
Depreciation/amortization expense on capital and lease assets is reported in the government-wide statements of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in the governmental funds.		(8,981)
The net effect of various transactions involving capital and lease assets (i.e. sales and contributions) is to decrease net position.		(8,553)
The issuance of long-term debt (e.g. bonds, leases, subscription liabilities) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Repayment of principal on leases		5,143
Current year changes in certain long-term liabilities do require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Net Pension liability and related deferred outflows and inflows of resources		7,967
Total OPEB liability and related deferred outflows and inflows of resources		(1,848)
Compensated absences liability		8,001
Change in Net Position of Economic Development Corporation	$	2,486,747

CEDAR HILL

THE **NATURAL HEART** OF THE METROPLEX

Statistical Section (Unaudited)

CEDAR HILL

THE **NATURAL HEART** OF THE METROPLEX

Statistical Section
(Unaudited)

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Cedar Hill's overall financial health.

Financial Trends Information - information to help the reader understand how the City's financial performance and well-being have changed over time.

1 Net position by component
2 Changes in net position
3 Fund balances, governmental funds
4 Changes in fund balances, governmental funds

Revenue Capacity Information - information to help the reader assess the City's most significant local revenue source, the property tax.

5 Assessed value and actual value of taxable property
6 Direct and overlapping property tax rates
7 Principal property tax payers
8 Property tax levies and collections

Debt Capacity Information - information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

9 Ratios of outstanding debt by type
10 Ratios of net general bonded debt outstanding
11 Direct and overlapping governmental activities debt
12 Legal debt margin information
13 Pledged-revenue coverage

Demographic and Economic Information - information to help the reader understand the environment within which the City's financial activities take place, and to help make comparisons over time and with other governments.

14 Demographic and economic statistics
15 Principal employers

Operating Information - service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

16 Full-time equivalent city government employees by function/program
17 Operating indicators by function/program
18 Capital asset statistics by function/program

City of Cedar Hill, Texas
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2016	2017	2018	2019
Governmental activities				
Net invested in capital assets	$ 83,215,449	$ 109,712,318	$ 106,180,335	$ 105,638,798
Restricted	8,394,131	11,582,583	17,678,071	44,459,438
Unrestricted	1,966,112	17,843,316	17,850,181	(5,934,956)
Total governmental activities net position	$ 93,575,692	$ 139,138,217	$ 141,708,587	$ 144,163,280
Business-type activities				
Net invested in capital assets	$ 45,050,487	$ 46,893,008	$ 46,436,363	$ 44,824,224
Restricted	1,792,767	1,681,967	3,859,296	5,383,604
Unrestricted	7,420,834	6,713,795	4,894,933	4,693,298
Total business-type activities net position	$ 54,264,088	$ 55,288,770	$ 55,190,592	$ 54,901,126
Primary government				
Net invested in capital assets	$ 128,265,936	$ 156,605,326	$ 152,616,698	$ 150,463,022
Restricted	10,186,898	13,264,550	21,537,367	49,843,042
Unrestricted	9,386,946	24,557,111	22,745,114	(1,241,658)
Total primary government net position	$ 147,839,780	$ 194,426,987	$ 196,899,179	$ 199,064,406

Source: Annual Comprehensive Financial Reports

2020	2021	2022	2023	2024	2025
$ 113,337,277	$ 115,295,739	$ 121,149,233	$ 113,589,648	$ 121,903,228	$ 131,841,211
29,757,843	31,087,683	32,859,438	45,198,648	60,865,804	59,091,723
4,148,935	8,973,246	16,267,366	20,087,747	20,121,538	29,280,157
$ 147,244,055	$ 155,356,668	$ 170,276,037	$ 178,876,043	$ 202,890,570	$ 220,213,091
$ 45,871,100	$ 45,511,467	$ 45,546,705	$ 44,851,274	$ 44,879,862	$ 48,427,157
1,850,905	1,656,333	698,996	1,715,616	2,647,152	3,415,344
5,908,426	5,898,037	9,850,745	13,996,430	19,399,767	19,995,841
$ 53,630,431	$ 53,065,837	$ 56,096,446	$ 60,563,320	$ 66,926,781	$ 71,838,342
$ 159,208,377	$ 160,807,206	$ 166,695,938	$ 158,440,922	$ 166,783,090	$ 180,268,368
31,608,748	32,744,016	33,558,434	46,914,264	63,512,956	62,507,067
10,057,361	14,871,283	26,118,111	34,084,177	39,521,305	49,275,998
$ 200,874,486	$ 208,422,505	$ 226,372,483	$ 239,439,363	$ 269,817,351	$ 292,051,433

City of Cedar Hill, Texas
Changes in Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2016	2017	2018	2019
Expenses				
Governmental activities				
General government	$ 6,767,213	$ 6,947,494	$ 6,960,889	$ 7,123,089
Public works	11,441,834	5,008,051	7,021,452	4,879,498
Public safety	24,862,491	25,618,102	25,902,749	29,519,851
Community services	8,430,316	9,280,829	10,800,462	11,409,000
Interest and fiscal charges	2,405,818	1,874,383	1,910,803	2,431,803
Total governmental activities expenses	53,907,672	48,728,859	52,596,355	55,363,241
Business-type activities				
Water and sewer	18,221,821	17,708,700	17,848,255	18,832,771
Total business-type activities expenses	18,221,821	17,708,700	17,848,255	18,832,771
Total primary government expenses	$ 72,129,493	$ 66,437,559	$ 70,444,610	$ 74,196,012
Program Revenues				
Governmental activities				
Charges for services				
General government	$ 870,839	$ 843,914	$ 779,978	$ 788,815
Public works	316,432	114,914	192,082	126,256
Public safety	5,254,150	5,550,066	5,588,368	5,733,331
Community services	3,224,479	3,525,792	3,745,336	3,960,314
Operating grants and contributions	2,666,399	2,537,822	4,374,471	3,824,331
Capital grants and contributions	4,457,074	1,511,933	1,095,938	853,951
Total governmental activities program revenues	16,789,373	14,084,441	15,776,173	15,286,998
Business-type activities				
Charges for services	17,415,597	17,759,404	18,621,798	17,997,411
Capital grants and contributions	380,971	1,794,910	357,101	480,156
Total business-type activities program revenues	17,796,568	19,554,314	18,978,899	18,477,567
Total primary government program revenues	$ 34,585,941	$ 33,638,755	$ 34,755,072	$ 33,764,565
Net (Expense)/Revenue				
Governmental activities	$ (37,118,299)	$ (34,644,418)	$ (36,820,182)	$ (40,076,243)
Business-type activities	(425,253)	1,845,614	1,130,644	(355,204)
Total primary government net expense	$ (37,543,552)	$ (32,798,804)	$ (35,689,538)	$ (40,431,447)

Source: Annual Comprehensive Financial Reports

2020	2021	2022	2023	2024	2025
$ 7,262,308	$ 8,024,191	$ 7,904,246	$ 9,225,565	$ 8,584,694	$ 8,541,511
6,012,302	3,854,279	2,971,779	7,707,628	8,884,129	9,823,621
29,376,740	32,659,514	31,768,864	34,798,633	36,896,295	35,403,352
11,574,016	11,780,395	18,801,873	12,346,000	15,088,319	14,314,187
2,524,393	2,565,869	2,317,319	3,524,879	3,169,529	4,340,487
56,749,759	58,884,248	63,764,081	67,602,705	72,622,966	72,423,158
20,003,612	19,859,042	21,594,363	22,761,091	24,083,232	25,722,343
20,003,612	19,859,042	21,594,363	22,761,091	24,083,232	25,722,343
$ 76,753,371	$ 78,743,290	$ 85,358,444	$ 90,363,796	$ 96,706,198	$ 98,145,501
$ 787,083	$ 817,149	$ 918,194	$ 444,491	$ 411,667	$ 286,648
102,698	176,105	360,154	285,858	1,037,168	54,962
5,334,068	5,729,124	6,599,816	3,784,395	3,402,295	5,562,503
3,652,192	4,439,243	5,511,630	5,187,045	5,752,114	7,903,779
4,940,619	5,067,806	4,626,678	4,651,946	4,431,069	1,565,581
535,687	2,421,295	6,727,756	1,090,180	6,510,660	2,855,545
15,352,347	18,650,722	24,744,228	15,443,915	21,544,973	18,229,018
18,504,639	19,222,674	24,051,862	25,865,260	28,766,047	28,595,877
333,270	318,748	843,763	1,016,620	931,536	1,040,192
18,837,909	19,541,422	24,895,625	26,881,880	29,697,583	29,636,069
$ 34,190,256	$ 38,192,144	$ 49,639,853	$ 42,325,795	$ 51,242,556	$ 47,865,087
$ (41,397,412)	$ (40,233,526)	$ (39,019,853)	$ (52,158,790)	$ (51,077,993)	$ (54,194,140)
(1,165,703)	(317,620)	3,301,262	4,120,789	5,614,351	3,913,726
$ (42,563,115)	$ (40,551,146)	$ (35,718,591)	$ (48,038,001)	$ (45,463,642)	$ (50,280,414)

City of Cedar Hill, Texas
Changes in Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2016	2017	2018	2019
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	$ 21,222,889	$ 22,809,120	$ 24,781,240	$ 27,083,238
Sales and use taxes	8,674,970	8,903,958	9,097,038	9,434,328
Hotel/motel taxes	223,330	301,690	250,332	341,579
Franchise fees	2,990,157	4,000,294	3,639,798	3,615,024
Grants not restricted to specific programs	-	-	-	-
Investment earnings	1,497,708	268,574	928,939	1,341,530
Gain on disposal of property	(12,968)	(67,853)	82,623	54,187
Miscellaneous	508,136	926,523	465,361	333,050
Transfers	2,059,800	924,956	1,232,882	328,000
Gain on Joe Pool payment agreement	-	42,139,681	-	-
Total governmental activities	37,164,022	80,206,943	40,478,213	42,530,936
Business-type activities				
Investment earnings	46,538	81,424	131,821	358,088
Gain/loss of disposal of property	(3,859)	22,600	5,450	35,650
Miscellaneous	-	-	-	-
Transfers	(2,059,800)	(924,956)	(1,232,882)	(328,000)
Total business-type activities	(2,017,121)	(820,932)	(1,095,611)	65,738
Total primary government	$ 35,146,901	$ 79,386,011	$ 39,382,602	$ 42,596,674
Changes in Net Position				
Governmental activities	$ 45,723	$ 45,562,525	$ 3,658,031	$ 2,454,693
Business-type activities	(2,442,374)	1,024,682	35,033	(289,466)
Total primary government	$ (2,396,651)	$ 46,587,207	$ 3,693,064	$ 2,165,227

2020	2021	2022	2023	2024	2025
$ 29,063,652	$ 31,555,238	$ 32,489,734	$ 37,259,680	$ 40,413,522	$ 44,172,965
9,642,400	11,133,044	12,684,612	13,014,378	12,808,093	12,978,718
288,169	421,999	431,766	476,744	459,215	493,006
3,447,261	3,485,178	3,478,762	3,707,501	3,448,831	3,565,521
-	-	-	244,731	9,736,804	1,202,914
1,199,206	637,033	557,805	5,003,403	6,024,786	5,344,734
23,812	108,062	38,418	36,490	100,632	21,925
485,538	660,793	3,947,215	620,800	1,642,213	3,254,744
328,149	344,792	310,910	395,069	458,424	482,134
-	-	-	-	-	-
44,478,187	48,346,139	53,939,222	60,758,796	75,092,520	71,516,661
181,122	85,188	39,457	695,755	1,125,173	1,124,077
42,035	12,700	800	14,550	36,225	-
-	-	-	30,849	46,136	355,892
(328,149)	(344,792)	(310,910)	(395,069)	(458,424)	(482,134)
(104,992)	(246,904)	(270,653)	346,085	749,110	997,835
$ 44,373,195	$ 48,099,235	$ 53,668,569	$ 61,104,881	$ 75,841,630	$ 72,514,496
$ 3,080,775	$ 8,112,613	$ 14,919,369	$ 8,600,006	$ 24,014,527	$ 17,322,521
(1,270,695)	(564,594)	3,030,609	4,466,874	6,363,461	4,911,561
$ 1,810,080	$ 7,548,019	$ 17,949,978	$ 13,066,880	$ 30,377,988	$ 22,234,082

City of Cedar Hill, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2016	2017	2018	2019	2020
General Fund					
Nonspendable	$ 283,522	$ 117,473	$ 44,743	$ 76,879	$ 108,327
Restricted	123,575	-	-	-	-
Unassigned	8,771,503	8,448,918	8,771,211	10,074,245	11,087,799
Total General Fund	$ 9,178,600	$ 8,566,391	$ 8,815,954	$ 10,151,124	$ 11,196,126
All Other Governmental Funds					
Nonspendable					
Prepaid and inventory	$ 6,224	$ -	$ 282	$ -	$ 173,011
Other	-	-	-	-	-
JPL permanent fund	-	-	-	15,000,000	15,000,000
Restricted for					
Construction	17,612,849	10,059,379	14,665,951	-	-
PID use	239,342	368,849	533,015	-	-
Tourism	821,640	912,273	890,939	-	-
Public safety	545,723	804,398	1,116,643	1,476,465	1,588,572
Community services	-	-	-	2,311,580	2,100,685
Landscaping	-	-	222,825	-	-
Economic development	-	-	38,975	-	-
Debt service	1,447,330	1,396,399	1,484,107	1,860,832	1,685,829
General government	-	-	-	831,191	1,170,237
Public works	-	-	-	27,272,227	37,021,579
Committed for					
Library	123,146	107,118	-	-	-
Landscaping	1,277,952	1,377,018	-	-	-
Construction	1,819,952	2,545,026	2,607,973	-	-
Facilities	-	-	180,095	184,438	287,659
Building maintenance	194,232	177,445	-	-	-
JPL nature corridor	58,689,221	18,564,055	18,874,640	4,296,464	4,723,709
Economic development	-	-	101,305	-	-
Infrastructure	-	-	-	2,752,812	2,897,125
Assigned	-	97,936	1,042,564	946,461	706,960
Unassigned	-	-	-	(248,084)	(202,360)
Total all other governmental funds	$ 82,777,611	$ 36,409,896	$ 41,759,314	$ 56,684,386	$ 67,153,006

2021	2022	2023	2024	2025
$ 97,153	$ 164,290	$ 87,366	$ 129,400	$ 136,129
-	-	-	-	-
11,556,358	12,888,174	14,907,301	13,864,258	18,179,511
$ 11,653,511	$ 13,052,464	$ 14,994,667	$ 13,993,658	$ 18,315,640
$ 71,812	$ 4,031	$ 5,667	$ 89,571	$ 1,095,586
-	-	-	-	-
15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,545,385	1,816,531	2,480,334	2,948,004	3,177,932
2,779,463	4,371,582	5,501,991	6,410,406	7,487,141
-	-	-	-	-
-	-	-	-	-
1,532,922	1,632,600	1,574,629	2,408,086	4,053,374
1,676,534	2,453,495	3,351,931	4,469,765	5,465,789
33,198,686	40,793,635	32,779,855	31,901,373	38,503,959
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,389,237	3,399,744	3,551,100	9,450,203	9,249,963
-	-	-	-	-
4,968,856	4,783,131	5,593,983	6,680,586	7,760,188
-	-	-	-	-
4,828,447	6,723,511	6,943,483	7,207,212	7,338,156
693,443	622,389	640,829	668,234	677,599
(231,777)	(184,947)	(247,156)	(102,520)	(70,653)
$ 67,453,008	$ 81,415,702	$ 77,176,646	$ 87,130,920	$ 99,739,034

City of Cedar Hill, Texas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2016	2017	2018	2019
Revenues				
Taxes	$ 30,120,119	$ 32,334,075	$ 34,105,970	$ 36,849,234
Franchise taxes	3,465,968	3,531,434	3,640,135	3,609,312
Licenses and permits	778,437	807,719	789,254	894,811
Intergovernmental	6,750,150	3,611,557	4,525,530	3,956,900
Charges for services	4,733,546	4,557,442	4,780,801	4,980,938
Fines and forfeits	1,760,310	1,936,758	1,857,906	1,777,077
Investment earnings	1,490,918	255,087	899,426	1,282,913
Grants and donations	-	-	-	374,599
Miscellaneous	759,828	1,398,078	946,389	727,131
Total revenues	49,859,276	48,432,150	51,545,411	54,452,915
Expenditures				
General government	5,026,331	5,322,042	5,539,114	5,423,911
Public works	2,053,159	2,249,229	2,180,935	2,200,304
Public safety	21,791,776	22,755,963	23,718,688	24,677,418
Community services	6,849,744	7,492,414	7,591,881	8,227,740
Principal retirement	6,102,000	46,889,359	6,443,517	6,346,795
Interest and fiscal agent charges	2,874,002	2,506,334	2,491,606	2,927,327
Capital outlay	12,169,887	9,121,689	6,733,928	7,774,859
Total expenditures	56,866,899	96,337,030	54,699,669	57,578,354
Excess of revenues Over (under) expenditures	(7,007,623)	(47,904,880)	(3,154,258)	(3,125,439)
Other Financing Sources (Uses)				
Transfer in	3,764,661	3,024,806	2,444,571	1,045,606
Transfer out	(1,738,295)	(2,099,850)	(1,211,689)	(717,606)
Leases issued	-	-	-	-
Subscriptions issued	-	-	-	-
Premium or discount on issuance of debt	2,336,076	-	172,287	967,676
Issuance of debt	-	-	7,435,000	18,090,000
Refunding bonds issued	16,477,611	-	-	-
Payment to refunding bond escrow agent	(17,112,097)	-	-	-
Sale of Capital Assets	-	-	-	5
Total other financing sources (uses)	3,727,956	924,956	8,840,169	19,385,681
Net change in fund balance	$ (3,279,667)	$ (46,979,924)	$ 5,685,911	$ 16,260,242
Capitalized Capital outlay	$ 12,190,814	$ 10,375,451	$ 5,236,086	$ 7,746,148
Debt service as a percentage of noncapital expenditures	20.1%	57.5%	18.1%	18.6%

2020	2021	2022	2023	2024	2025
$ 38,958,655	$ 42,566,167	$ 45,936,165	$ 50,531,963	$ 53,333,612	$ 57,408,898
3,439,407	3,487,905	3,484,804	3,639,947	3,503,036	3,586,568
763,180	1,367,813	1,931,671	1,584,287	1,903,123	1,663,855
4,937,744	5,501,933	4,524,285	4,706,412	15,570,925	5,101,820
4,972,956	5,429,666	6,332,955	6,830,050	6,299,363	7,734,276
1,112,505	1,147,353	1,516,351	1,063,653	1,290,366	1,271,377
1,160,306	618,163	526,919	4,813,968	5,778,601	5,146,669
119,532	30,351	181,642	77,827	239,460	69,484
712,765	959,919	7,037,392	1,700,410	1,640,453	3,254,744
56,177,050	61,109,270	71,472,184	74,948,517	89,558,939	85,237,691
5,733,160	6,253,924	6,074,808	6,916,166	6,957,750	7,530,871
2,151,651	2,197,878	3,823,275	2,577,776	2,656,919	2,880,078
26,723,372	28,721,628	28,825,646	32,142,101	34,496,909	33,922,952
9,672,415	8,220,255	9,486,249	10,896,756	13,433,158	12,730,699
6,960,000	7,400,000	8,444,236	8,737,093	9,257,063	9,495,142
3,071,409	3,061,663	2,934,410	3,586,213	4,088,821	4,083,427
7,277,343	8,262,894	15,962,730	34,374,339	19,054,551	12,618,508
61,589,350	64,118,242	75,551,354	99,230,444	89,945,171	83,261,677
(5,412,300)	(3,008,972)	(4,079,170)	(24,281,927)	(386,232)	1,976,014
2,045,950	5,542,312	6,295,582	1,004,844	7,396,346	1,801,520
(1,717,801)	(5,197,520)	(6,586,672)	(609,775)	(6,937,922)	(1,319,386)
-	-	-	-	456,917	98,389
-	-	-	701,749	404,111	997,635
1,755,773	-	1,847,697	1,572,536	657,965	520,809
14,840,000	11,945,000	17,875,000	19,295,000	7,275,000	12,785,000
-	-	-	-	-	-
-	(8,526,518)	-	-	-	-
2,000	3,085	9,210	20,720	87,080	70,115
16,925,922	3,766,359	19,440,817	21,985,074	9,339,497	14,954,082
$ 11,513,622	$ 757,387	$ 15,361,647	$ (2,296,853)	$ 8,953,265	$ 16,930,096
$ 7,318,457	$ 8,178,222	$ 15,947,947	$ 34,374,339	$ 19,054,551	$ 12,618,508
18.5%	18.7%	19.1%	19.0%	18.8%	19.2%

CEDAR HILL

THE **NATURAL HEART** OF THE METROPLEX

City of Cedar Hill, Texas
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2016	$ 3,186,822,798	$ 282,090,960	$ (451,668,826)	$ 3,017,244,932	$ 0.69876
2017	3,445,936,429	290,270,770	(505,646,426)	3,230,560,773	0.69876
2018	3,664,209,975	299,008,240	(527,367,350)	3,435,850,865	0.69876
2019	4,098,436,803	322,237,770	(641,573,266)	3,779,101,307	0.69703
2020	4,361,878,376	333,576,136	(678,100,436)	4,017,354,076	0.69703
2021	4,512,785,068	319,964,080	(681,662,806)	4,151,086,342	0.68810
2022	4,911,573,310	340,896,002	(660,664,985)	4,591,804,327	0.69703
2023	6,192,071,143	381,289,704	(1,320,436,594)	5,252,924,253	0.65700
2024	6,866,705,795	396,041,397	(1,339,601,537)	5,923,145,655	0.64652
2025	7,622,967,871	461,359,742	(1,461,999,451)	6,622,328,162	0.63646

Source: Dallas Central Appraisal District, Ellis Central Appraisal District.

Note: Property in the city is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per $100 of assessed value.

City of Cedar Hill, Texas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)
(Rate per $100 of Assessed Value)

Fiscal Year Ended September 30,	City Direct Rates				
	Basic Rate	General Obligation Debt Service	Total Direct	Cedar Hill I.S.D.	Dallas County Community College District
2016	$ 0.512700	$ 0.186060	$ 0.698760	$ 1.525000	$ 0.123650
2017	0.512700	0.186060	0.698760	1.516000	0.124240
2018	0.512700	0.186060	0.698760	1.516000	0.124240
2019	0.512935	0.184093	0.697028	1.376000	0.124000
2020	0.512935	0.184093	0.697028	1.306000	0.124000
2021	0.518071	0.170031	0.688102	1.283000	0.124000
2022	0.518152	0.178877	0.697029	1.238400	0.123510
2023	0.480563	0.176437	0.657000	1.190600	0.115899
2024	0.462656	0.183869	0.646525	1.132600	0.110028
2025	0.452711	0.183744	0.636455	1.127900	0.105595

Source: Dallas Central Appraisal District, various taxing entities.

Property in the city is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per $100 of assessed value.

Dallas County Hospital District	Dallas County	County School Equalization	Desoto I.S.D	Ducanville I.S.D.	Ellis County	Midlothian I.S.D.
$ 0.286000	$ 0.243100	$ 0.010000	$ 1.460000	$ 1.529500	$ 0.380091	$ 1.540000
0.279400	0.243100	0.009271	1.460000	1.521480	0.380091	1.540000
0.279400	0.243000	0.009000	1.490000	1.520000	0.371000	1.540000
0.279400	0.243100	0.010000	1.490000	1.520000	0.370533	1.540000
0.270000	0.243000	0.010000	1.528350	1.418000	0.330000	1.470000
0.266100	0.228000	0.010000	1.529090	1.368000	0.350276	1.379800
0.255000	0.227946	0.010000	1.388600	1.315900	0.339338	1.352000
0.235800	0.217946	0.010000	1.258200	1.252900	0.295867	1.294600
0.219500	0.215718	-	1.072800	1.082800	0.252862	1.109200
0.212000	0.215500	-	1.065200	1.105700	0.273992	1.106900

CEDAR HILL

THE **NATURAL HEART** OF THE METROPLEX

City of Cedar Hill, Texas
Principal Property Tax Payers
Current Year and Ten Years Ago
(Unaudited)

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank (A)	Percentage of Total City Taxable Assessed Value (A)	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (B)
LEGACY OF CEDAR HILL MO	$ 104,237,420	1	1.57%	$ -	-	-
USICV HIGH POINT 67 LOT 2 INC	84,147,467	2	1.27%	-	-	-
LIT INDUSTRIAL LTD PS	69,457,990	3	1.05%	-	-	-
BW MIDTOWN CEDAR HILL LLC	66,800,000	4	1.01%	-	-	-
PREP HILLSIDE REAL ESTATE LLC	65,564,440	5	0.99%	-	-	-
JPT CEDAR HILL INVESTCO I LLC	63,000,000	6	0.95%	-	-	-
INFRA METALS CO	41,176,434	7	0.62%	-	-	-
ONCOR ELECTRIC DELIVERY	39,205,810	8	0.59%	26,334,380	6	0.87%
PRATT CEDAR HILL CORRUGATING LLC	37,272,960	9	0.56%	-	-	-
GATES CEDAR HILL LTD	37,054,610	10	0.56%	18,000,000	9	0.60%
UPTOWN VILLAGE AT CEDAR	-	-	-	67,235,400	1	2.23%
EL AD CEDAR HILL LLC	-	-	-	49,000,000	2	1.62%
FMF CEDAR HILL LLC	-	-	-	31,176,000	3	1.03%
INLAND WESTERN DALLAS	-	-	-	29,101,640	4	0.96%
KRG CEDAR HILL PLAZA, LP	-	-	-	29,060,000	5	0.96%
J C PENNEY CO INC	-	-	-	24,691,281	7	0.82%
WALMART STORES INC		-		21,555,540	8	0.71%
AP CEDAR HILL LLC	-	-	-	14,823,000	10	0.49%
Total	$ 607,917,131		9.17%	$ 310,977,241		10.29%

Source: Dallas Central Appraisal District

Notes:

(A) Total taxable value including real and personal property for tax year 2024 (fiscal year 2025) is $6,622,328,162
(B) Total taxable value including real and personal property for tax year 2015 (fiscal year 2016) is $3,017,244,932

City of Cedar Hill, Texas
Property Tax Levies And Collections Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year*	Adjusted Taxes Levied Within the Fiscal Year	Collected Within the Fiscal Year	
			Amount	Percentage of Levy
2016	$ 21,083,301	$ 20,906,038	$ 20,729,114	99.15%
2017	22,573,866	22,414,016	22,193,896	99.02%
2018	24,008,352	24,107,970	23,896,988	99.12%
2019	26,341,470	26,408,201	26,184,435	99.15%
2020	28,002,163	28,397,214	28,095,876	98.94%
2021	28,563,708	30,407,438	29,982,367	98.60%
2022	32,006,208	32,237,603	31,831,262	98.74%
2023	34,511,712	35,792,800	35,356,225	98.78%
2024	38,294,618	38,995,823	38,387,752	98.44%
2025	42,148,139	42,523,999	41,937,076	98.62%

* Excludes levies related to public improvement districts

Sources: Dallas county Tax Office

Note: Schedule has been updated to include taxes levied within the fiscal year and adjusted taxes levied for the prior fiscal year.

Adjusted Taxes Levied for the Prior Fiscal Year	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy
$ 20,888,506	$ 139,146	$ 20,868,260	99.90%
22,376,895	158,323	22,352,220	99.89%
24,044,215	117,969	24,014,957	99.88%
26,351,167	127,358	26,311,793	99.85%
28,369,004	207,723	28,303,599	99.77%
30,201,083	102,137	30,084,504	99.61%
32,099,208	102,918	31,934,180	99.49%
35,792,800	-	35,356,225	98.78%
35,571,075	27,862	38,415,614	98.51%
42,523,999	-	41,937,076	98.62%

City of Cedar Hill, Texas
Ratios of Outstanding Debt By Type Last Ten Fiscal Years
(Unaudited)

	Governmental Activities				Business-Type Activities	
Fiscal Year	General Obligation Bonds	Certificate of Obligation Bonds	Other Obligations*	Unamortized Premiums	Waterworks & Sewer System Revenue Bonds	Waterworks & Sewer System GO &CO Bonds (C)
2016	$ 63,920,760	$ 3,080,000	$ 82,683,592	$ 5,389,921	$ -	$ 14,264,240
2017	58,245,312	2,410,000	-	4,503,276	-	13,014,688
2018	56,111,795	5,535,000	-	3,859,905	-	14,038,205
2019	58,985,000	14,405,000	-	4,067,779	-	16,575,000
2020	62,030,000	19,240,000	-	5,090,165	-	17,780,000
2021	55,640,000	18,455,000	3,345,000	4,342,288	-	16,395,000
2022	57,095,000	25,840,000	4,040,000	5,547,269	-	17,875,000
2023	66,300,000	28,305,000	3,330,000	6,463,005	-	19,600,000
2024	59,615,000	34,290,000	2,590,000	6,484,972	-	21,120,000
2025	52,970,000	38,745,000	10,200,782	6,418,661	-	23,325,000

*Other Obligations includes lease and subscription liabilities

Note: Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

(A) See Table 5 for property value data.
(B) See Table 14 for population data.
(C) Self-supporting tax-backed bonds.
(D) See Table 14 for personal income data.

Business-Type Activities						
Other Obligations*	Unamortized Premiums (C)	Total Primary Government	Percentage of Total Personal Income (D)	Percentage of Actual Taxable Value of Property (A)	Per Capita (B)
$ -	$ 1,043,341	$ 170,381,854	13%	5.65%	$ 3,346
-	877,422	79,050,698	6%	2.45%	1,518
-	790,045	80,334,950	6%	2.49%	1,526
-	919,730	94,952,509	6%	2.51%	1,788
-	1,060,209	105,200,374	7%	2.62%	2,140
-	917,477	99,094,765	7%	2.39%	1,976
-	1,086,246	111,483,515	7%	2.43%	2,217
-	1,213,209	125,211,214	7%	2.38%	2,558
-	1,380,179	125,480,151	6%	2.12%	2,537
85,146	1,390,135	133,134,724	8%	2.53%	2,720

City of Cedar Hill, Texas
Ratios of Net General Bonded Debt Outstanding Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Bonded Debt Outstanding			Unamortized Premium	Less Sinking Fund
	General Obligation Bonds	Certificate of Obligation Bonds	Taxable Notes		
2016	$ 63,920,760	$ 3,080,000	$ -	$ 5,389,920	$ 1,178,322
2017	58,245,312	2,410,000	-	4,503,278	1,104,243
2018	56,111,795	5,535,000	-	3,859,905	1,166,122
2019	58,985,000	14,405,000	-	4,067,780	1,462,017
2020	62,030,000	19,240,000	-	5,090,163	1,261,391
2021	50,640,000	18,455	3,345,000	4,342,285	1,108,484
2022	57,095,000	25,840,000	4,040,000	5,547,266	1,113,341
2023	66,300,000	28,305,000	3,330,000	6,463,005	1,574,629
2024	59,615,000	34,290,000	2,590,000	6,484,972	2,408,086
2025	52,970,000	38,745,000	8,650,000	6,418,661	4,053,374

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(A) See Table 5 for property value data.
(B) See Table 14 for population data.

Net General Bonded Debt	Percentage of Actual Taxable Value of Property (A)	Per Capita (B)
$ 71,212,358	2.50%	$ 1,399
64,054,347	2.12%	1,230
64,340,578	1.99%	1,222
75,995,763	2.01%	1,431
85,098,772	2.12%	1,731
57,237,256	1.30%	1,075
91,408,925	1.90%	1,738
102,823,376	1.89%	2,032
100,571,886	1.70%	2,034
102,730,287	1.61%	2,077

City of Cedar Hill, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2025
(Unaudited)

Taxing Jurisdiction	2024/2025 Taxable Assessed Value	2024/2025 Tax Rate	Total G.O. Tax Debt (A)	Estimated % Applicable	City's Overlapping G.O. Tax Debt
City of Cedar Hill	$ 6,622,328,162	$ 0.63646	$ 82,060,000	100.00%	$ 82,060,000
Cedar Hill ISD	5,964,193,257	1.12500	339,202,798	88.25%	299,346,469
Dallas County	412,792,494,091	0.21600	179,530,000	1.40%	2,513,420
Dallas County Comm. College Dist.	423,071,753,336	0.10600	247,115,000	1.40%	3,459,610
Dallas County Hospital Dist.	414,014,886,794	0.21200	511,285,000	1.40%	7,157,990
Desoto ISD	5,176,901,752	1.06500	286,628,121	1.65%	4,729,364
Duncanville ISD	6,977,880,019	1.10600	322,745,000	1.90%	6,132,155
Ellis County	35,403,224,542	0.25500	21,260,000	0.55%	116,930
Midlothian ISD	10,365,329,761	1.10700	333,690,000	1.57%	5,238,933
Total Direct and Overlapping Tax Debt					$ 108,334,443
Ratio of Direct and Overlapping G.O. Tax Debt to Taxable Assessed Valuation					6.20%
Per Capita Direct and Overlapping G.O.Tax Debt					$ 8,220.03

Source: Hilltop Securities, Inc.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and the businesses of Cedar Hill. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore reponsible for repaying the debt, of each overlapping government.

(A) The City's total direct debt is net of self supporting debt and Debt Service Fund Balance

City of Cedar Hill, Texas
Legal Debt Margin Information
As of September 30, 2025
(Unaudited)

As a home rule city, the City of Cedar Hill is not limited by law in the amount of debt it may issue.

Article X, Section 2 of the City of Cedar Hill charter states in part:

The City Council shall have the power and it is hereby authorized and made its duty to levy annually for general purposes and for the purpose of paying interest and providing the sinking fund on the bonded indebtedness of the City of Cedar Hill now in existence or which may hereafter be created an ad valorem tax on all real, personal or mixed property within the territorial limits of said City and upon all franchises granted by the City to any individuals or corporations of not exceeding a total of Two Dollars and Fifty cents ($2.50) on the One Hundred Dollars ($100.00) assessed valuation of said property. If for any cause the City Council shall fail, neglect or refuse to pass a tax ordinance for any one year, levying taxes for that year, then and in that event the tax levying ordinance last passed shall and will be considered in force and effect as the tax levying ordinance for the year which the City Council failed, neglected or refused to pass such ordinance, and the failure so to pass such ordinance for any year shall in no wise invalidate the tax collections for that year.

The tax rate at October 1, 2025 is $0.636449 per $100 of assessed valuation at 100% of market value. The tax rate is 25.46% of the legal limit.

City of Cedar Hill, Texas
Pledged - Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gross Revenues (A)	Less: Operating Expenses (B)	Net Available Revenue
2016	$ 17,333,094	$ 15,765,558	$ 1,567,536
2017	17,679,424	15,273,504	2,405,920
2018	18,541,621	15,688,000	2,853,621
2019	17,818,947	16,447,045	1,371,902
2020	18,392,329	17,521,852	870,477
2021	19,127,493	17,392,046	1,735,447
2022	24,020,197	19,095,461	4,924,736
2023	26,586,243	19,946,727	6,639,516
2024	29,967,084	21,059,285	8,907,799
2025	30,031,746	22,173,435	7,858,311

Source: Annual Comprehensive Financial Reports

(A) Gross revenues include all water and sewer revenues exclusive of capital recovery fees, interest on accumulated capital recovery fees, contributed capital, gain on retirement of capital assets, and interest on bond proceeds.
(B) Direct operating expenses include all water and sewer operating expenses, less depreciation.

City of Cedar Hill, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Year	Estimated Population (A)	Personal Income	Per Capita Personal Income (B)	Median Household Income (C)	Median Age (A)	Cedar Hill I.S.D. Enrollment (D)	Unemployment Rate (E)
2016	50,917	$ 1,300,267,429	$ 25,537	$ 68,526	34	8,046	4.7%
2017	52,066	1,394,171,282	26,777	69,412	34	7,883	4.0%
2018	52,659	1,410,050,043	26,777	73,106	36	7,866	3.8%
2019	53,096	1,481,696,976	27,906	73,658	36	7,791	3.1%
2020	49,148	1,428,535,768	29,066	72,463	34	7,625	4.1%
2021	50,140	1,457,369,240	29,066	72,791	34	7,250	5.7%
2022	50,280	1,643,703,480	32,691	75,285	34	7,625	4.5%
2023	48,949	1,726,920,720	35,280	84,132	35	7,625	4.0%
2024	49,455	1,939,971,285	39,227	90,608	35	7,790	4.2%
2025	49,455	2,083,440,240	42,128	87,587	37	6,253	4.3%

Sources:

(A) Available estimates are provided by Claritas (Pop-Facts® Executive Summary).
(B) Available estimates are retrieved from https://data.census.gov/table/ACSDT5Y2024.B19301?q=Cedar+Hill+city,+Texas+b19301
(C) Available Estimates are provided by Claritas (Pop-Facts® Demographic Snapshot)
(D) Available estimates are retrieved from https://rptsvr1.tea.texas.gov/perfreport/tapr/tapr_srch.html?year=2025&lev=D
(E) Available estimates retrieved from https://www.bls.gov/lau/

City of Cedar Hill, Texas
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2025			2016		
Employer	Estimated Employees	Rank	Percentage of Total City Workforce	Estimated Employees	Rank	Percentage of Total City Workforce
Wal-Mart Supercenter	317	1	1.30%	436	1	1.73%
Super Target	220	2	0.90%	180	4	0.72%
Pratt Industries Inc	215	3	0.88%	-	-	-
Home Depot	175	4	0.72%	125	9	0.50%
Dillard's	140	5	0.57%	125	10	0.50%
Woodmont Cabinetry	140	6	0.57%	170	6	0.68%
Idx Dallas LLC	127	7	0.52%	125	8	0.50%
JC Penney Distribution Center	120	8	0.49%	336	2	1.34%
DMI Corporation	115	9	0.47%	150	7	0.60%
Total Highway Maintenance, LLC	110	10	0.45%	250	3	0.99%
MJB Wood Group	-	-	-	175	5	0.70%
Total	1,679		6.87%	2,072		8.26%

Source: City surveys of employers

Notes: City of Cedar Hill and Cedar Hill I.S.D. are not included in the rankings. Total Estimated City Workforce in FY 2025 and FY 2016 is 24,373 and 25,136, respectively

City of Cedar Hill, Texas
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)

	Full Time Equivalent Employees as of September 30									
Function/Program	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General Government										
Administration	9.50	9.50	9.50	8.50	8.50	8.50	8.50	8.50	8.50	8.58
Human resources	3.00	3.00	3.80	3.50	4.00	4.00	4.00	4.00	4.00	4.55
Information technology	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.50	5.50
Finance	7.00	7.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00	9.00
Economic development	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
Tourism	1.50	1.50	1.50	2.00	2.00	2.00	2.00	2.00	1.00	2.00
Non-Departmental	2.50	2.00	2.50	2.50	2.75	2.75	1.50	1.50	1.50	1.50
Government center	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Public Works										
Streets & drainage	14.40	14.40	14.40	14.40	14.00	14.00	16.00	16.00	16.00	16.00
Fleet maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water & sewer	44.65	36.00	38.00	38.00	41.00	41.00	41.00	41.00	41.00	42.00
Public Safety										
Police	89.50	88.50	86.50	93.00	92.50	92.50	87.00	95.00	95.00	96.00
Animal control	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50
Fire	79.00	78.00	6.00	79.00	79.00	79.00	79.50	79.50	79.50	79.50
Municipal court	6.68	6.68	79.00	8.00	8.00	7.00	7.50	7.50	7.50	7.50
Code enforcement	9.00	9.00	6.88	10.00	12.00	12.00	13.00	13.00	13.00	12.00
Animal shelter	10.53	10.33	10.00	11.33	11.50	11.50	16.50	13.00	13.00	12.00
Community Services										
Parks	23.77	23.77	22.42	19.63	17.55	17.55	16.50	16.02	21.75	19.75
Community development	7.79	7.79	7.79	5.00	6.00	6.00	6.00	7.00	8.00	8.00
Recreation	11.50	8.45	9.19	9.19	5.75	5.75	5.75	5.63	5.63	5.63
Recreation center	23.80	23.80	23.80	23.80	23.00	23.00	23.58	23.50	23.50	26.13
Library	12.20	12.20	13.41	14.04	14.09	13.30	13.30	13.80	21.58	21.58
Main Street (Historic Downtown)	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Planning	4.00	4.00	4.00	4.25	4.00	4.00	4.35	4.50	4.50	4.50
Neighborhood services	1.00	1.00	1.00	1.00	1.00	2.00	2.00	3.00	3.00	3.00
Total City Employees	378.52	365.12	365.89	373.34	372.84	372.05	375.18	383.15	397.96	399.22

Source: Annual Budgets

Notes: FTE's are based on 2,080 hours for conversion purposes.
The Economic Development Corporation personnel are paid by the Economic Development Fund, not the General Fund.
The Water and Sewer personnel are paid by the Water & Sewer Fund, not the General Fund.
The Community Development personnel are paid by the Community Development Fund, not the General Fund.
The Government Center positions were created in fiscal year 2009.

City of Cedar Hill, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

Functions/Program	2016	2017	2018
Public Works			
Streets & Drainage			
Number of street lights	2,616	2,616	2,616
Water & Sewer			
Number of water consumers	15,940	16,019	16,407
Number of sewer connections	14,537	14,923	14,972
Average daily water consumption (millions of gallons)	6	6	5.9
Maximum storage capacity (millions of gallons)	18	18	18
Public Safety			
Police			
Index crimes, by calendar year	1,653	1,618	1,463
Index crime rate per 100,000, by calendar year	3,510	3,419	3,081
Percent index crimes cleared, by calendar year	30%	30%	29%
Number of reserve police officers	4	4	5
Fire			
Calls for service - Fire & EMS	6,207	6,257	6,302
Municipal Court			
Number of cases filed	7,610	8,621	8,962
Number of cases closed	6,642	4,801	7,453
Number of cases appealed	143	198	195
Number of warrants issued	4,604	5,486	2,617
Code Enforcement			
Construction permits issued	584	652	255
Total dollar value of permits issued	$ 40,449,488	$ 50,982,675	$ 59,238,591
Animal Shelter			
Number of incoming animals	6,493	5,894	7,378
Number of lost pets returned to owners	912	1,055	999
Number of animals adopted out	1,332	1,448	1,112
Number of animals euthanized	2,284	1,715	1,529
Number of animals transferred or rescued	1,796	1,914	2,444

Sources: City Departments

2019	2020	2021	2022	2023	2024	2025
2,665	2,665	2,665	2,670	2,683	2,750	2,826
16,492	16,564	16,554	16,659	16,932	17,039	17,173
14,987	14,987	14,987	15,014	15,351	15,523	15,639
5.2	5.6	5.6	6.4	6.5	6.6	6.7
18	18	18	18	18	18	18
1,350	987	876	987	997	939	911
2,837	2,059	1,782	1,963	1,982	1,845	1,759
29%	19%	17%	21%	22%	24%	23%
2	3	1	1	1	1	1
6,256	6,154	7,539	7,784	7,858	8,252	8,073
8,684	5,977	7,592	8,379	7,688	8,646	6,496
7,799	5,677	6,757	4,793	7,696	8,139	7,816
182	145	233	236	140	46	-
3,150	2,455	3,929	6,928	2,782	6,746	4,418
622	631	738	943	886	518	519
$ 68,213,408	$ 55,261,882	$ 100,265,319	$ 261,162,959	$ 155,671,172	$ 106,427,961	$ 116,539,780
6,464	5,317	5,513	6,300	6,387	6,676	6,986
1,249	936	1,396	1,264	1,005	1,052	1,441
915	921	1,027	1,249	1,142	913	705
1,511	865	923	1,271	1,818	2,019	2,260
2,730	2,502	2,128	1,669	1,379	2,179	1,957

City of Cedar Hill, Texas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
Function/Program	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Public Works										
Streets & Drainage										
Paved streets (miles)	218	218	218	218	219	219	220	222	226	227
Graded streets (miles)	1	1	1	1	1	1	1	1	1	1
Paved alleys (miles)	42	42	42	42	42	42	42	42	42	42
Storm sewers (miles)	77	77	77	77	78	78	79	81	89	80
Water & Sewer										
Water mains (Miles)	279	279	279	279	280	280	281	283	289	294
Storage capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18
Sanitary sewers (miles)	214	214	214	214	215	215	216	217	228	230
Public Safety										
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Animal Shelter										
Buildings	1	1	1	1	1	2	2	2	2	2
Community Services										
Parks										
Acreage	692	692	692	692	692	721	721	843	860	860
Municipal swimming pools	1	1	1	1	1	1	1	1	1	1
Lighted tennis courts	2	2	2	2	2	2	2	2	2	2
Lighted ball diamonds	23	23	23	23	23	23	23	23	18	18
Community/senior center	1	1	1	1	1	1	1	1	1	1
Recreation center	1	1	1	1	1	1	1	1	1	1
Library										
Number of libraries	1	1	1	1	1	1	1	1	1	1

Sources: City Departments